



**California Medication Assisted Treatment Expansion Project:  
Allowable Expenditures**  
*Updated October 28, 2020*

The following information is intended to provide California Medication Assisted Treatment (MAT) Expansion Project contractors with a general list of allowable activities and expenditures under California's State Opioid Response (SOR) grant. For information on what is allowable under federal grants, please see [45 CFR Part 75](#). For questions regarding specific allowable and unallowable activities and expenditures, please email us at [DHCSMATExpansion@dhcs.ca.gov](mailto:DHCSMATExpansion@dhcs.ca.gov).

**Terms & Conditions of SOR Grant Funding**

- Grant funds should only be used when no other funding source exists. Grant funds for allowable expenditures can only be utilized for: (1) services directly attributable to the MAT Expansion Project; (2) services to individuals who are not covered by public or commercial health insurance plans; (3) services to individuals whose coverage has been formally determined to be unaffordable; or (4) services that are not sufficiently covered by an individual's health insurance plan. Expenditures for services only partially attributable to the SOR grant must have sufficient rationale identifying cost-sharing allocations.
- SOR funds may only be utilized to provide services to patients that specifically address stimulant or opioid misuse issues. If either a stimulant or opioid misuse problem (history) exists concurrently with other substance use, all substance use issues may be addressed. Individuals who have no history of or no current issues with stimulants or opioids misuse shall not receive treatment or recovery services with SOR grant funds. EG: a patient with only an alcohol use disorder without a history or current of stimulant or opioid misuse, may not receive SOR funds for MAT.
- Organizations receiving SOR funding are not required to bill indirect costs; however, should indirect costs be budgeted, the maximum available indirect cost rate is 10%, unless there is a federally negotiated rate in place with the federal awarding agency (Health and Human Services Agency).
- No more than 5 percent of the total grant award may be used for administrative and infrastructure development.
  - As of October 2020, telehealth costs are not considered part of this 5 percent. Any telehealth costs must be dedicated to provider telehealth equipment and services. No funding can be allocated to purchasing telehealth equipment for patients, or loaning funds/equipment to patients for the purpose of providing telehealth services.
- No more than 2 percent of the total grant award may be used for data collection and reporting.
  - However, organizations may supplement data collection and reporting funding up to 5% through the administrative and infrastructure development cost categories.

As a result, as much as 7 percent is available for data collection and reporting (if no other costs are included within the administrative and infrastructure development categories).

- Organizations receiving SOR funds may not deny any eligible client, patient or individual access to their program because of their use of FDA-approved medications for the treatment of substance use disorder. In all cases, MAT must be permitted to be continued for as long as the prescriber or treatment provider determines that the medication is clinically beneficial.
- Procurement of DATA waiver training is not an allowable use of SOR funds as this training is offered free of charge from SAMHSA at [pcssnow.org](http://pcssnow.org). No funding may be used to procure DATA waiver training by recipients or subrecipients of SOR funding, or to incentivize eligible providers to receive this training.
- Grant funds may not be used, directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana. Grant funds also cannot be provided to any individual or organization that provides or permits marijuana use for the purposes of treating substance use or mental disorders.
- Contingency management may ONLY be used for patients with a primary stimulant (methamphetamine and/or cocaine) disorder (StUD). Polysubstance abuse patients with a secondary StUD may not receive SOR 2 funds for contingency management treatment. Contingencies may be used to reward and incentivize treatment compliance with a maximum contingency value being \$15 per contingency. Each patient may not receive contingencies totaling more than \$75 per year of his/her treatment.

## Allowable & Unallowable Costs

### Personnel

Allowable	Unallowable
<ul style="list-style-type: none"> <li>• Salaries and fringe benefits for any staff serving patients or managing grant funds or activities. Positions may include:               <ul style="list-style-type: none"> <li>○ Physician, NP, PA or other prescribing provider</li> <li>○ Nurse</li> <li>○ Counselor</li> <li>○ Case manager/care coordinator</li> <li>○ Peer Support Specialist</li> <li>○ Program Director</li> <li>○ MAT Support Team Staff</li> <li>○ Administrative staff</li> </ul> </li> <li>• Reference manuals and tools used for personnel and community education</li> <li>• Time/expenses related to data collection activities (up to 2 percent of total grant award)</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries and fringe benefits to personnel not performing MAT Expansion Project activities</li> <li>• Salaries and fringe benefits for personnel performing both grant activities and non-grant activities without sufficient documentation (i.e. payroll records, paystubs, and job descriptions clearly identifying cost-sharing methodologies)</li> </ul>

### Treatment Services for Un/Under-Insured Patients

Allowable	Unallowable
-----------	-------------

<ul style="list-style-type: none"> <li>• FDA approved medications for Opioid Use Disorder (OUD): <ul style="list-style-type: none"> <li>○ Methadone</li> <li>○ Buprenorphine products including buprenorphine/naloxone combination formulations and buprenorphine monoprodut formulations</li> <li>○ Naltrexone products including extended-release and oral formulations</li> </ul> </li> <li>• FDA-approved medications or devices for withdrawal management</li> <li>• Naloxone at Public Interest Price where no other funding source exists (Public Interest Price: \$75/unit). Naloxone can be requested through the <a href="#">Naloxone Distribution Project</a> if you are unable to procure naloxone through another funding source.</li> <li>• HIV, hepatitis C testing</li> <li>• Hepatitis A &amp; B testing, vaccination</li> <li>• Services for incarcerated patients with OUD or stimulant use disorder</li> <li>• Residential treatment for patients with OUD or stimulant use disorder</li> <li>• Evidence-based contingency management approaches, including incentives, drawings, vouchers, etc. Cost limit of \$15 per contingency with a cap of \$75 per patient per year.</li> <li>• Any allowable services or activities provided via telehealth</li> <li>• Urine drug screening/testing costs</li> <li>• Any other services or activities for SUD treatment not covered/not sufficiently covered by the individual's insurance--contact your DHCS program analyst for approval.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-FDA approved medications</li> <li>• Non-FDA approved devices</li> <li>• Services or medications for patients who are covered by other funding sources (e.g., Medi-Cal, private insurance).</li> <li>• Direct payments to individuals to induce their entry into treatment or continuation in treatment. It is unallowable to provide an “undue inducement” that removes the voluntary nature of participation in treatment.</li> </ul>
---	---

### Telehealth Equipment & Services

Allowable	Unallowable
<ul style="list-style-type: none"> <li>• Purchase or upgrades related to provider telehealth systems. Examples include: <ul style="list-style-type: none"> <li>○ Hardware to be used by providers, such as: desktops, monitors, laptops, tablets, servers, and webcams</li> <li>○ Software and Broadband subscriptions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Equipment/services must be used specifically by providers and may not be purchased or loaned out to clients. Purchase or loan of telehealth equipment to patients is an unallowable expense.</li> <li>• Telehealth infrastructure: <ul style="list-style-type: none"> <li>○ Structural development to integrate broadband lines</li> <li>○ Telehealth kiosks</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>○ Improvements to electronic health records, adding electronic forms, and other data infrastructure</li> <li>● Purchase or upgrades related to virtual meeting platforms</li> </ul>	
--	--

### Administrative & Infrastructure Development

Allowable	Unallowable
<ul style="list-style-type: none"> <li>● Salaries of administrative or clerical staff under specific conditions where their services are integral to an activity and are not captured as indirect costs. See H&amp;SS October 1 Webinar Q&amp;A document for specific conditions where these salaries can be considered administrative rather than indirect costs.</li> <li>● Medical equipment necessary to project operation.</li> <li>● Medication safes to store MAT medications.</li> <li>● Medication safes or lockboxes for patients</li> <li>● Minor Alterations and Renovations (A&amp;R), which is defined as work that changes the interior arrangement or other physical characteristics of an existing facility or installed equipment so that it can be used more effectively for its currently designed purpose or adapted to an alternative use to meet a programmatic requirement. A&amp;R may include work referred to as improvements, conversion, rehabilitation, or remodeling.</li> <li>● Minor A&amp;R examples include: <ul style="list-style-type: none"> <li>● Dispensing Window addition or improvement</li> <li>● Minor internal office infrastructure, such as adding walls or doors to house personnel</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Infrastructure costs exceeding \$75,000</li> <li>● New facility construction, facility expansion, or major A&amp;R where the total Federal and non-Federal costs, excluding moveable equipment (equipment that is not permanently affixed), exceeds \$500,000.</li> <li>● Facility improvements unrelated to the expansion of OUD prevention, treatment, and recovery services</li> <li>● Facility improvements to building foundation, roofing, heating and air conditioning, or other structural improvements</li> <li>● Purchase of building</li> <li>● Supplies, equipment, or furniture for use in non-contract operations of the entity</li> <li>● Automated External Defibrillators (AED)</li> </ul>

### Outreach & Engagement

Allowable	Unallowable
<ul style="list-style-type: none"> <li>● Patient outreach/engagement activities and resources.</li> <li>● Costs of meetings, conventions or other events related to MAT Expansion Project operations</li> </ul>	<ul style="list-style-type: none"> <li>● Costs of meetings, conventions or other events not related to MAT Expansion Project operations</li> <li>● Costs of promotional items and memorabilia, including models, gifts, and souvenirs related to other activities</li> </ul>

<ul style="list-style-type: none"> <li>• Outreach/presentations to community agencies, local organizations, law enforcement, etc.</li> <li>• Costs related to operation of local opioid coalitions.</li> <li>• Advertising costs directly related to contracted services.</li> </ul>	<p>of the entity</p> <ul style="list-style-type: none"> <li>• Meals are generally unallowable unless they are an integral part of a conference grant or specifically stated as an allowable expense</li> <li>• Sporting events and entertainment</li> <li>• Alcoholic beverages</li> </ul>
--	--

### Miscellaneous

Allowable	Unallowable
<ul style="list-style-type: none"> <li>• Patient incentives for completing GPRA surveys are allowable up to \$30 non-cash incentive. Incentives are only allowable for 6-month follow-up interviews or discharge interviews for clients who have dropped out or left the program.</li> <li>• Travel reasonably incurred for the MAT Expansion Project paid at the State rate (<a href="#">State travel reimbursement rates</a>)</li> <li>• Patient transportation, such as bus passes, taxis, and ride-sharing services</li> <li>• Office supplies critical to project operation</li> <li>• Furniture necessary to project operation, such as additional desks, office chairs, and other minor equipment.</li> <li>• Detera pouches used to deactivate medications for disposal.</li> </ul>	<ul style="list-style-type: none"> <li>• Fentanyl testing strips</li> <li>• Travel unrelated to MAT Expansion Project operations</li> <li>• Travel costs in excess of the State rate</li> <li>• Purchasing vehicles to disperse MAT to patients</li> <li>• Natural remedies (herbs, acupuncture, and other therapies)</li> </ul>