



Substance Abuse and Mental Health  
Services Administration

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August 4, 2021

Dear State Substance Abuse Director:

On July 28, 2021, the Drug Enforcement Administration (DEA) published a final rule that permits DEA registrants who are authorized to dispense methadone for opioid use disorder to add a “mobile component” to their existing registration – eliminating the separate registration requirement for mobile medication units of Opioid Treatment Programs (OTPs). This is an important step as it will streamline the DEA registration process, making it easier for OTPs to provide needed services in remote or underserved areas.

OTPs certified by the Substance Abuse and Mental Health Services Administration (SAMHSA) may establish medication units that are authorized to dispense opioid agonist treatment medication for observed ingestion under 42 CFR § 8.11(i). These facilities are established as part of, but geographically separate from, a primary OTP to dispense an opioid agonist treatment medication or collect samples for drug testing or analysis.

Specifically, the DEA’s final rule permits an OTP to dispense opioid drugs in schedules II– V from a mobile component at location(s) remote from, but within the same State as, the OTP’s registered location, for the purpose of maintenance or detoxification treatment. The rule also outlines the reports and records that shall be maintained for OTPs that wish to expand the reach of their treatment programs by use of mobile components.

SAMHSA encourages the expansion of OTPs through use of mobile medication units as a means of making treatment more readily available for people with Opioid Use Disorders. It is expected that these units will facilitate access to treatment for people in rural areas and for people who are incarcerated.

SAMHSA supports the use of the Substance Abuse Prevention and Treatment (SAPT) Block Grant funds for mobile units for the purpose of providing substance use disorder outreach, screening, assessment, treatment and recovery support services. The SAPT Block Grant statutes restrict awards for “financial assistance to any entity other than a public or nonprofit private entity.” 42 U.S.C. § 300x-31(a)(1)(E) (section 1931(a)(1)(E) of the Public Health Service Act); 45 C.F.R. §96.135(a)(5). However, the restriction does not apply in the context of contracts. Ordinarily, the term “financial assistance” is used to describe a grant relationship as distinguished from an acquisition (or procurement) relationship, typically funded by a contract. Therefore, while a state is precluded from providing grants to for-profit entities, states may enter into procurement contracts with for-profit entities.

Similarly, SAMHSA supports use of Substance Abuse Prevention and Treatment Block Grant (SABG) funds to purchase vehicles. SABG provisions require that funds be used “only ... for

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planning, carrying out, and evaluating activities to prevent and treat substance use disorders...” 42 U.S.C. § 300x-21(b). As the stated purpose of the expenditure of funds for vehicles is to provide SUD-related services, the expenditure falls within the definition of an “authorized activity” under 42 U.S.C. § 300x-21(b). SABG funds are expended solely for authorized activities and in accordance with all statutory, regulatory and policy provisions applicable to the funds. States may enter into procurement contracts with for-profit entities, using SABG funds.

The state agency and all subrecipients of Block Grant funds (subcontractors and subgrantees) must comply with all Block Grant laws, regulations, contracts, agreements, and other program requirements. As the federal grantee, States and Territories will be held responsible for ensuring that their subrecipients comply with Block Grant requirements.

In summary, States/Territories and their subrecipients may award contracts, but not grants, to for-profit organizations, such as OTPs, to conduct SAPT Block Grant programs. The grantees and all subrecipients must adhere to all legal, regulatory and program requirements.

If you have any questions about this guidance, please contact your State Project Officer.

Sincerely,



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Assistant Secretary for Mental Health  
and Substance Use