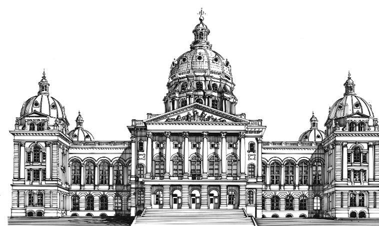
I S S U E R E V I E W

Iowa Legislative Fiscal Bureau



Dennis Prouty
(515) 281-5279
FAX 281-8451

State Capitol
Des Moines, IA 50319
December 2, 1998

Substance Abuse Treatment and Prevention Programs in Iowa

ISSUE

This ***Issue Review*** provides a progress update regarding the recommendations of the 1994 Service Gap Task Force and outlines the goals of the Interagency Work Group required by SF 2280 (FY 1999 Health and Human Rights Appropriations Act).

AFFECTED AGENCIES

Department of Corrections
Department of Human Services
Department of Personnel
Department of Public Health
Governor's Alliance on Substance Abuse
Judicial Department

CODE AUTHORITY

Chapter 125, Code of Iowa

BACKGROUND

Senate File 2280 (FY 1999 Health and Human Rights Appropriations Act) required the Division of Substance and Abuse and Health Promotion of the Department of Public Health to

> *"…establish an interagency work group to conduct an evaluation of the effectiveness of all existing federal and state funded substance abuse treatment and prevention programs in the state. Evaluation issues and components to be examined by the interagency work group shall include, but are not limited to, access to treatment; identification of all state and federal funds spent on treatment and prevention programs, including insurance plan components and employee assistance programs; substance abuse relapse rates; the reasons for different outcomes in different programs; costs of service delivery; the relationship of outcomes to cost offsets such as a decline in arrest rates and hospitalizations; review of managed care approaches and exemplary programs in other states; and the profiling of clients by the types of substances abused.*

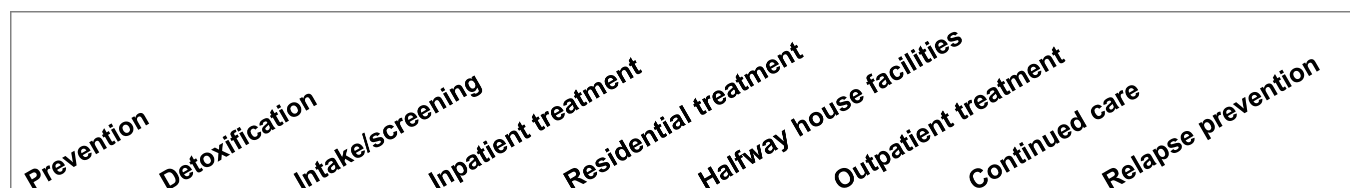
> *The interagency work group shall be comprised of representatives from the department of human services, the department of public health, the department of corrections, the governor's alliance on substance abuse, the state department of personnel, and the judicial department.*
>
> *The department shall submit a report containing the recommendations of the interagency work group to the governor and the general assembly by January 1, 2000."*

In expectation of the interagency work group's efforts, the purpose of this ***Issue Review*** is to provide a progress update regarding the recommendations of the 1994 Service Gap Task Force of funded and nonfunded prevention and treatment programs. [1]

<u>1994 RECOMMENDATIONS</u>

The conclusions of the Service Gap Task Force were presented to the Substance Abuse Committee Interim meeting, November 18, 1994, stating that "In order to achieve a quality cost efficient substance abuse system, clients need to be placed in a treatment setting based upon the individual need of the client. An entire continuum of care needs to be available and funded sufficiently to provide appropriate care for all clients." The Task Force suggested that the continuum of care should minimally include:

Continuum of Care



The Interim Committee adopted the 14 Task Force resolutions to achieve this minimal care continuum. The 1994 recommendations and a 1998 status update follow (a check indicates the recommendation has been implemented).

1. To appropriately place the client, managed care and case management concepts need to be implemented in all programs receiving Department of Public Health funding. These concepts would include the utilization of a standardized placement, continued stay and discharge criteria, and outcome standards. Through the utilization of task forces some of the recommended criteria is already in place and the rest will be ready for implementation July 1, 1995.

   ☑ ***Update:*** Managed care and case management concepts have been implemented in all substance abuse programs receiving Department of Public Health funding. The criteria

[1] House File 2376 (FY 1995 Health and Human Rights Appropriations Act) required the Iowa Department of Public Health to create a task force to study treatment and prevention service areas and the fiscal implication of awarding funds to more than one provider per service area. The language also required the Commission on Substance Abuse to coordinate delivery of substance abuse services for social and medical detoxification and other treatment by medical and nonmedical providers to uninsured and court ordered clients by July 1997.

presently being used is the American Society of Addiction Medicine Patient Placement Criteria II for adults and the Iowa Juvenile Placement Criteria for juveniles. This same criteria is also being used in the Medicaid substance abuse programs.

2. A managed care model needs to be implemented with programs managing the client's level of care and utilization of outcome measures. Awarding funds to more than one provider per service area is presumed, emphasizing competition with more than one provider, preferably located within the State of Iowa.

   ☑ ***Update:*** Programs receiving Department of Public Health funding are managing the care of the clients. The programs bear the financial risk for the management of patient care. The managed care company provides administrative service organization functions including retrospective reviews, training, and technical assistance.

3. Substance abuse programs must be allowed to participate in regional provider networks as well as encouraged to develop creative approaches to treatment services. The Department must develop flexible approaches to funding these new program models.

   ☑ ***Update:*** Substance abuse providers have developed six regional provider networks. The managed care concept which will be implemented in January 1999 has a regional model built into it.

4. All substance abuse treatment programs should report through a statewide data system. Consider how CHMIS, State Wide Health Accounting System, or other existing systems should be utilized. The possibility of a program-integrated statewide data system should be explored.

   ☑ ***Update:*** All substance abuse programs that receive Medicaid or Department of Public Health funding report through the Substance Abuse Reporting System (SARS). This system gives the state demographic information, admission, service, discharge and follow-up information on all clients regardless of the source of payment.

5. An integrated consolidated funding system, consistent with the standardized placement, continued stay and discharge criteria, must be developed, including at a minimum Medicaid, Center for Substance Abuse Treatment (located in Rockville, MD), Department of Public Health, or Psychiatric Medical Institution for Children (PMIC) funding.

   ☑ Update: An integrated consolidated funding system with consistent placement criteria has been developed and implemented for Medicaid, Department of Public Health, block grant, and substance abuse PMIC funding.

6. Medicaid rules should be changed to allow for payment of substance abuse services to nonhospital-affiliated Department of Public Health licensed providers.

   ☑ ***Update:*** Implementing managed care has allowed Medicaid payment for substance abuse services to nonhospital-affiliated Department of Public Health licensed providers.

7. A planned approach to detoxification must be provided. Since this will be a funded service in the continuum, a clearly defined additional funding source must be provided.

Update: An additional funding source to provide detoxification services for Department of Public Health clients has not been provided.

8. The continuum of care from prevention to relapse prevention needs to be available and adequately funded. A dedicated funding source should be established to provide appropriate care for all clients.

   ☐ ***Update:*** The continuum of care from prevention to relapse prevention has not been developed. This lack of continuum is due to the lack of additional funding source for detoxification.

9. A standardized process for civil commitments throughout the 99 counties must be established. Training must be provided to all judicial referees.

   ☐ ***Update:*** A standardized process for civil commitments has not been established throughout the 99 counties. Training for judicial referees has been held, but standardization still needs to be established.

10. Chapter 125, Code of Iowa, regarding civil commitments and responsibility of payment should be updated. Counties have traditionally been responsible for 25.0% of the cost of commitment at the mental health institutes and should continue with this cost. However, an additional funding source will need to be identified for commitments outside the mental health institutes.

    ☐ ***Update:*** Legislation regarding the update of civil commitments has been introduced, but has not been passed by the General Assembly.

11. An interpretation of the law and Department of Public Health funding requirements will be reviewed to determine how different levels of care can be provided within the hospital setting.

    ☑ ***Update:*** Hospitals have established residential facilities within the hospital setting. These facilities are available for Department of Public Health funding if the hospital is willing to meet State and block grant regulations.

12. Incentives must be provided to promote collaboration among providers so a full range of substance abuse services will be available in all areas of Iowa.

    ☑ ***Update:*** Managed care required a full range of services available in each of the six regions.

13. Chapter 125, Code of Iowa, must be reviewed and revised, where applicable, in order to carry out the above recommendations.

    ☐ ***Update:*** Legislation regarding Code of Iowa revisions has been introduced, but has not been passed by the General Assembly.

14. As the Department develops the rules for essential community providers, substance abuse treatment services should be considered essential to a community. Those substance abuse agencies contracting with the Department should be considered essential community providers.

    ☐ ***Update:*** For the first six months managed care was required to maintain contracts with the existing substance abuse providers. This, in effect, treated them as essential community

providers. Subsequently, a competitive bid process was put in place to ensure adequate services for all Department of Public Health clients.

CURRENT DELIVERY SYSTEM

Since FY 1996, substance abuse treatment programs in Iowa have been operated under a managed care system administered by Employee and Family Services, Inc. (EFR) which, in turn contracts with 58 service providers in the 22 areas. Substance abuse treatment in Iowa is provided in all 99 counties. Services are available regardless of a client's ability to pay or financial status.

The delivery combines Medicaid, State, and federal substance abuse block grant treatment funds under a single statewide contract jointly administered by the Department of Human Services and the Iowa Department of Public Health. Beginning January 1, 1999, the contract for substance abuse treatment will be combined with contracted managed mental health services. The substance abuse portion of the contract is approximately $15.0 million.[2]

Each Department distinctly funds and has specific service requirements for its population. For Medicaid services, the Iowa Managed Substance Abuse Care Plan contract is a capitated, at- risk plan to provide managed substance abuse treatment under a federal Medicaid Section 1915(b) waiver for enrolled Medicaid beneficiaries. For Iowa Department of Public Health funded services, the contractor provides certain administrative services and contracts with providers for at risk, provider managed services.

[2] The contract is explained in detail in "The Iowa Plan for Behavioral Health," an ***Issue Review*** published by the Fiscal Bureau on July 8, 1998.

INTERAGENCY WORK GROUP/CURRENT EVALUATION EFFORTS

The interagency work group will be organized in January 1999, and will review evaluations currently underway to determine what other information is needed to meet the Legislative requirements. Current evaluations on substance abuse treatment programs and the Iowa managed care contract include the following:

1. The Iowa Substance Abuse Research Consortium will be performing follow-up on a sample of substance abuse clients six months post discharge. This follow-up will look at outcomes including changes in arrest rates, employment, income status, and health issues. A Treatment Outcomes and Performances Pilot Study federally-funded through the Center for Substance Abuse Treatment will enhance this process for monitoring outcomes of substance abuse treatment.
2. The second evaluation is also federally-funded by the Center for Substance Abuse Treatment. The Center has contracted with the Institute for Health Policy at Brandeis University and the Harvard Medical School to examine issues associated with the Iowa managed care contract. The primary goals of this evaluation will be access, utilization, quality, integration of services, improved management of costs, and reduction of the need for treatment.
3. The third study, also federally-funded through the Center for Substance Abuse Treatment, will identify costs and cost savings to Iowa that result from substance abuse treatment utilization. This study will compare individuals who have received substance abuse treatment with other state databases to determine the associated societal outcomes and costs. This will include data bases through the Departments of Corrections (arrests), Human Services (welfare), Revenue and Finance (taxable income), Transportation (OWI), and Workforce Development (employment).

The interagency work group is required to make recommendations to the General Assembly by January 1, 2000.

STAFF CONTACT: Valerie Thacker (Ext. 15270)

LFB:IR11VMTA.Doc/12/08/98/3:50 pm/all
Substance Abuse Treatment and Prevention
Programs in Iowa