

**Pre-Application Technical Assistance Reports for the
Access to Recovery Grant Program**

Report on Technical Assistance to Delaware

May 2004

Prepared under

Center for Substance Abuse Treatment
Contract No. 277-00-6400, Task Order No. 277-00-6403

By

The Performance Partnership Grant
Technical Assistance Coordinating Center



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment
www.samhsa.gov

Consultation between Woodrow Odom and the State of Delaware Written Report

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Introduction and Purpose of TA

The State of Delaware requested technical assistance to address issues related to (1) the relationship between the Single State Agency (SSA) and Access to Recovery (ATR) program providers, (2) SAMHSA's definition of supplantation of funds, and (3) how to determine and estimate program costs under the ATR voucher system. Assistance with these issues was provided by Woodrow Odom, J.D., a technical expert from the Center for Substance Abuse Treatment's (CSAT's) Performance Partnership Grant TA Coordinating Center. (A summary of the consultant's professional experience appears at the end of this report.)

Methodology

The TA took place in New Castle, Delaware on May 5, 2004. The TA was informal and entailed the discussion of questions related to the issues identified in the Purpose of the TA. Participants included a consultant from Johnson, Bassin and Shaw, Inc. (Woodrow Odom), representatives from the State's Department of Health and Social Services, Division of Substance Abuse and Mental Health (DSAMH), and Deni Carise, Ph.D., Director of Treatment Systems for the Treatment Research Institute (TRI), University of Pennsylvania. The DSAMH staff who participated were Jack Kemp (Substance Abuse Director), Melody Lasana (Fiscal Unit), Michael Kelleher (Fiscal Unit), Kim Lucas (Alcohol and Drug Services Coordinator),), Harris Taylor (Director of Program Accountability), Walt Mateja (Planner), Maurice Tippet (MIS Manager), Kathy Leonard (IT Section Management Analyst), and Chet Chalifoux (IT Section Management Analyst).

Content of TA Discussion

Issue #1: The SSA Relationship with ATR Program Providers

SSA staff asked for clarification because, under Delaware procurement laws, a contract is required for any service or set of services that will exceed \$50,000. The consultant pointed out that, according to the ATR grant's Request for Applications, States are prohibited from providing direct funding to a provider "through a grant or contract to provide any service under this program, including assessment."

Some SSA staff members felt that the State Medicaid agency would be exempt from this requirement. The consultant suggested the following:

- That the SSA canvass other State agencies to determine instances in which this requirement has been waived, as well as to determine their process for obtaining a waiver.

- That, in addition, the SSA should contact the CSAT Procurement Office and seek guidance on this issue.
- That, whatever the relationship with the provider is called (i.e., provider agreement, memorandum of understanding, terms and conditions of participation, etc.), this relationship should at a minimum include the following: (1) eligibility rules; (2) services to be provided; (3) reporting requirements; (4) billing requirements; (5) sanctions; and (6) a disenrollment process.

Issue #2: SAMHSA Definition of “Supplantation”

The State was concerned about how CSAT would define “supplantation of funds” in this procurement. The consultant recommended that the SSA consult SAMHSA’s Web site for the CSAT response to this question. For example, see Question #45 in *ATR Frequently Asked Questions* at www.atr.samhsa.gov. In answer to the question: “ATR funds must be used to supplement, not supplant existing funds. Can you provide an example of how applicants might apply this rule,” SAMHSA responded as follows:

“If a State or Tribal entity were already receiving funds from Medicaid to provide methadone treatment, and proposed to use ATR funds for this purpose while reallocating those Medicaid funds for another purpose [other than substance abuse treatment], this would be interpreted as supplantation.”

Issue #3: How to Determine and Estimate Program Costs

The SSA was concerned about how to determine and estimate program costs under the voucher program, particularly for recovery support services. The consultant and SSA staff agreed that estimating costs for treatment services would not be a difficult task, because existing fee-for-service reimbursement rates—based on projected rates of utilization—could be used to estimate the cost for these services.

Estimating the costs of recovery support services would pose a problem, since the SSA has had little if any experience with reimbursing providers for these services. The consultant suggested that the SSA canvass other State agencies to determine what they are paying for the types of recovery support services identified in the State’s proposed voucher model. Delaware could then use those rates to project the costs of recovery support services, based on the State’s projected utilization rates.

Other Issues/Recommendations

Quarterly financial reports: The SSA was concerned that, using their current procedures, their quarterly financial reports to SAMHSA would not include all expenditures for the quarter reported. For example, the quarterly report for the period ending December 31 is due by January 31 of the following month. Delaware providers submit their invoices within 15 days after the end of the last month in the quarter. Currently, providers are reimbursed 30 days after their invoices

are received. As an example, a provider's December invoice is due by January 15 and is payable by February 15, which is 15 days after the quarterly report would have been submitted.

The consultant recommended that Delaware address the following question to CSAT: Will the State be allowed to submit amended quarterly expenditure reports once all expenditures for a given quarter have been recorded?

Processing of voucher payments: In the absence of an automated billing and payment system, how will vouchers be paid during the early stages of program operation?

The consultant recommended that the SSA contact Washington State to get information on their payment system, called CONMAN. Interested parties should be aware that the use of the CONMAN system requires MS Sequels Server license and software and PowerBuilder software. In addition, it is important to note that CONMAN has no module for tracking vouchers and that such a function will have to be programmed. Interested parties should contact Mr. Fritz Reide at 360-438-8224 to find out more.

This system could possibly be used until the automated billing and payment system is developed and implemented.

Detecting fraud and abuse: The SAA is concerned about meeting the ATR requirements for a monitoring system to detect and prevent fraud and abuse. The State's current financial monitoring consists of a desk review of A-133 audits submitted by providers. The State does not conduct monthly or quarterly reviews of payments to providers.

The consultant recommended that the SSA check with other agencies in the State, such as WIC, Child Care, and the food stamp program, to gain insight based on these agencies' experiences and systems to detect and prevent fraud and abuse.

Frequency of payments to providers: The SSA is concerned that their current practice—making a monthly payment to providers—may pose problems for ATR providers. Since the State will not be making referrals to ATR providers, as is currently done, the ATR providers may require more frequent payments.

The consultant recommended discussing this issue with the appropriate fiscal staff to determine the impact of making more frequent payments to ATR providers.

Consultant's Background

This TA was conducted by Woodrow Odom, J.D. Mr. Odom has more than 24 years of experience in health care and social service financing, management, administration, assessment, and programming. He is currently the lead for the Financing and Reimbursement domain of CSAT's Performance Partnership Grant (PPG) Technical Assistance Coordinating Center. In that position, he oversees all project activities that address topics related to the cost and financing of the State treatment system, including the reimbursement for treatment and recovery services; assures the substantive and technical quality and consistency of the multiple simultaneous activities within and across domains; and, as necessary, applies his expertise as leader or staff on particular work assignments, including delivery of on-site technical assistance as appropriate or requested by the CSAT Task Order Officer (TOO).