



New York Association of Alcoholism and Substance Abuse Providers

A Thoughtful Approach to Creating State Government Efficiencies

Recommendations for the Spending and Government Efficiency Commission

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Background

Untreated addiction is costing NYS billions every year, and we are wasting valuable resources on programs that cannot be effective unless addictions are appropriately addressed.

In *Blueprint for the States: Policies to Improve the Way States Organize and Deliver Alcohol and Drug Prevention and Treatment* (2006) the following points were made:

- *70% of states' child welfare budgets are spent on problems directly related to parental alcohol and drug related problems.* Children whose families receive appropriate addiction treatment are less likely to be placed out of their homes and likely to spend much less time in foster care placement when it was necessary.
- *77% of states' criminal justice budgets are spent on offenders with alcohol and drug related problems.* Re-arrest rates dropped from 75% to 27% when inmates received addiction treatment.
- *66% of states' juvenile justice budgets are spent on youth with substance use disorders.* Adolescent re-arrest rates decrease from 64.5% to 35.5% after one year of residential chemical dependence treatment.
- *25% of states' health budgets are spent on problems directly related to alcohol and drug related problems.* Families receiving addiction treatment spent \$363 less a month on regular medical care than untreated families.
- *51% of states' mental health budgets are spent on problems related to substance use disorders.* When mental health and substance use disorders are treated collaboratively, patients have better outcomes.
- *16% - 37% of states' social services budgets are spent on problems directly related to alcohol and drug related problems.* After completing treatment, there is a 19% increase in employment and an 11% decrease in the number of clients who receive welfare.
- *9% of states' developmental disabilities budgets are related directly to parental alcohol and drug related problems.* Fetal Alcohol Syndrome, the leading cause of developmental disabilities, affects an estimated 40,000 infants each year.

Outcome data related to chemical dependence prevention, treatment, and recovery services show: improved health outcomes, lower Medicaid expenditures (*The Effect of Substance Abuse Treatment on Medicaid Expenditures and Other Health-Related Costs among General Assistance Welfare Clients in Washington State, 2006*), improved employment rates, less homelessness, decreased child abuse and neglect, improved education outcomes, increased graduation rates, decreased crime, and many more positive, well documented outcomes. New York can make significant progress toward the achievement of its priority goals of eliminating waste, increasing efficiency, and improving health outcomes by strengthening its commitment to ensuring that all New Yorkers have access to effective addiction prevention, treatment, and recovery services.

Overarching Recommendations to Achieve State Government Efficiency

ASAP recommends that, as state government consolidations, mergers and restructuring discussions move forward, there should be a specific plan to address the untreated substance use disorders that drive costs up and present a significant obstacle across all service systems attempting to produce positive outcomes. The *Blueprint for the States* recommends that “every state should have a strategy that encompasses all the agencies affected by alcohol and drug problems. Responsibility for state and federal prevention and treatment funds should be held by an entity that reports directly to the governor and has direct access to the state legislature.” Currently OASAS and its Commissioner play this vital role as the bridge between the service delivery system and state government. ASAP strongly recommends that, even with the potential for a new mental hygiene state agency structure, there continue to be a leadership voice with an expertise in substance use disorder prevention, treatment and recovery that has direct access to the Governor. We further recommend that this leader be empowered to direct cross-systems substance use disorders services delivery to eliminate waste, increase efficiency, and improve service outcomes across those systems. Without appropriate leadership and oversight, government consolidations, mergers and restructuring could result in reduced access to appropriate, effective services. The SAGE Commission should make recommendations that would preclude NYS from missing this opportunity to address out of control costs and unacceptable, poor results in numerous state programs caused by untreated addiction. The consequences of missing this opportunity or failing to incorporate proper oversight and management of these services across systems of care cannot be overstated.

The Governor, the Legislature and the Medicaid Redesign Team, have rightly recognized that investing in evidence and outcomes-based prevention, treatment and recovery services will save the state money, improve health outcomes and drive down rates of preventable hospitalizations. The SAGE Commission’s recommendation must include a cross-systems integration of substance use disorders services to achieve its goals. It is vital that any new structure have the proper leadership, knowledge and capabilities to ensure that high quality, evidence-based services are strategically deployed to produce better outcomes.

Outlined in the following sections are NYASAP’s specific recommendations for the consideration of the SAGE Commission as they develop their series of recommendations for the Governor. We strongly believe that a thoughtful approach to creating state government efficiencies which engage and enhance the SUD service provider community, the SAGE commission, the Legislature and the Governor can create win-win opportunities that will better serve our communities, improve public health and safety and save the state a significant amount of money. Toward that end, it is critical that substance use disorders services providers are integral to the planning and implementation of government consolidations, mergers and restructuring involving substance use disorders.

Specific Recommendations for creating state government efficiency

State Operations: NYASAP sees a number of opportunities for the state to restructure and streamline state operations to eliminate redundancies, improve productivity and develop appropriate cross-system coordination.

- Consolidate HR, IT, billing and purchasing functions among mental hygiene agencies
 - This level of cross-agency consolidation of administrative functions will allow the state to develop integrated administrative systems that improve functionality and increase cross-system collaboration.
- Explore the roles and functions Local Government Units and state agency regional offices to eliminate overlap and redundancies.
- Streamline processes for dual or multiple licensure, and eliminate barriers to providing co-located/integrated services for individuals with co-occurring disorders
 - Costly and unnecessary regulations designed to separate services certified by different state agencies should be eliminated (i.e. current requirement that programs with both OASAS and OMH licenses must maintain separate waiting areas, charts and chart rooms)
 - With demonstration of applicable competencies, OASAS certified programs should be able to add mental health services without having to go through a separate certification application process
- Development and utilization of universal documentation forms (i.e. consent forms) across mental hygiene agencies.
 - Service providers who interact with health and mental hygiene systems are forced to complete a number of duplicative forms, ultimately impacting ability to spend time on actual clinical practice.
- Incorporate OASAS and OMH service providers into DOH Electronic Medical Records and technology development programs to develop and effectively utilize infrastructure for the sharing of Electronic Medical Records between health and mental hygiene systems that are compliant with federal confidentiality law/regulations (42 CFR Part 2).
 - Effective use of EMR's will encourage cross-systems collaboration in case management, treatment planning and care coordination.
- Reduce regulatory burden and duplication between mental hygiene agencies.

- A thorough review of regulations should be conducted and outdated, redundant and overly burdensome regulations should be eliminated or amended as necessary.
- Institute a process of “deemed” certification to reduce redundant procedures across certifying agencies.
 - Programs accredited by JCAHO and CARF, for example, could receive deemed status resulting in a lesser role for OASAS, which should still monitor programs to ensure quality
- Streamline auditing practices.
 - Service providers are subject to multiple, intensive audits from licensing and accrediting bodies and the Office of the Medicaid Inspector General. A recent IDC report (*Streamlining New York’s Patchwork IG System: Rooting Out Corruption Once and for All*, March 2011) stated that the OMIG cost more to run than it recouped in fraud disallowances. OMIG audits have especially burdensome on substance use disorder programs and often result in disallowances based on administrative error, rather than actual fraud, waste or abuse. Streamlining the state’s IG system, including the OMIG, will produce significant savings and improve state government efficiency.

Staff Credentialing/Licensing: Credentialing and licensure protocols have become expensive and time-consuming for state agencies to manage and licensing regulations have become obstacles for the mental hygiene workforce.

- Privatize credentialing processes across mental hygiene agencies.
 - The credentialing function in most states is carried out by an independent credentialing board. Privatizing this function would likely result in regulatory relief and a less burdensome process for persons seeking credentials necessary to work in the field.
- Eliminate provisions of licensure statutes with unintended consequences for the mental hygiene workforce.
 - Social work licensure legislation contains broad scope of practice language that when fully enacted would be extremely damaging to the workforce in OASAS licensed/certified programs and a broad array of other service delivery systems. As currently enacted, within two years, only licensed social workers would be permitted to carry out a broad array of clinical practices that are currently competently executed by qualified health professionals (who are not licensed social workers) closely supervised and appropriately regulated by OASAS.

Pay for Performance: OASAS prevention, treatment and recovery services providers are very receptive to expectations for realistic, achievable program outcomes across a multiplicity of service delivery systems. We could be relied upon to help drive better program outcomes in other systems of care.

- Measure outcomes for persons receiving services across state agencies and across service systems to identify approaches and programs that are producing the intended outcomes.
 - Create a unified data system that allows for the quick identification of desired program outcomes, efficiency, and cost savings and, conversely, that identifies failure to achieve meaningful movement towards positive, long-term outcomes so that appropriate adjustments can be made.
 - Continue OASAS's strong record of implementing Evidence-Based models and strategies for prevention, treatment, and recovery and outcome study tools that are receiving national recognition.
- Develop unified metrics to make decisions about level of care and course of treatment to avoid repeat admissions to inappropriate services/levels of care.

Service Design and Delivery: because of the impact of untreated substance use disorders across service delivery systems, better integration and increased access to services across systems of care is crucial if NYS is to realize its goals of better outcomes, efficiency, and cost saving.

- Build on successful co-location and cross-systems projects using OASAS certified programs to screen, assess, and refer to treatment addicted persons in other service systems.
 - Program outcomes should be carefully studied and NYS should shift resources between state agencies and community service providers where those agencies and providers produce more successful outcomes.
 - Co-location projects with local child protective services offices have resulted in precipitous decreases in child abuse and neglect, the need for out of home placements, and in the length of stay when it was necessary to place children, These cost cutting programs that are producing desired outcomes should be replicated in every county
 - Close collaboration with the courts and criminal justice system should be strengthened by ensuring that every county jail and prison has an imbedded treatment program capable of ensuring successful re-entry into community life and sustained recovery from addiction. Embedded programs should be staffed by community-based programs certified by OASAS.

- Juvenile justice reform should be accompanied by a commitment to use treatment as an alternative to incarceration so that youth move through our educational system into college and jobs instead of through the juvenile justice system into state prison.
- Significant improvements can be made in moving homeless and unemployed persons to permanent housing and meaningful employment by increasing coordination between housing and substance use disorder treatment programs that are successfully achieving long term positive program outcomes, such as reduced dependence on public assistance and increased access to temporary supportive housing.
- Ensure that treatment, prevention, and recovery services are integral to NYS's healthcare reform, Medicaid redesign, health home development, and focus on prevention and primary care.
- Ensure that NYS is utilizing emerging science and research to ensure it is providing state of the art services.
 - Screening, Brief Intervention, and Referral to Treatment (SBIRT) should be required protocol in primary care settings and other environments. The MRT correctly identified SBIRT as a cost saving strategy that will improve health outcomes
 - Pharmacotherapies should be more widely used to treat addiction to alcohol and other drugs. Pharmacotherapeutic approaches should always be accompanied by an appropriate level of treatment counseling from a qualified health professional in an OASAS certified program. Addiction medications should be on the Medicaid formulary.

Conclusion

State government consolidations, mergers and restructuring have the potential to eliminate administrative waste, reduce regulatory and licensing barriers for service providers and encourage a shift towards improved care integration, coordination, outcomes and access to services. If these actions are to achieve their desired outcome, substance use prevention, treatment and recovery services will have to be a central consideration and the structures created will have to reflect that central role. As the members of the SAGE Commission work to develop a package of thoughtful, comprehensive and effective recommendations to present to the Governor by May 1st, NYASAP extends its willingness to provide Commission members with any further information and resources that may help to guide this important process. We believe that the Governor's vision to strengthen New York's economy and communities through smart spending and the elimination of waste can be achieved in part by the enactment of the recommendations made in this document. New York is on the road to recovery, and through thoughtful and careful consideration, the substance use prevention, treatment and recovery field can help to get us there.