



DATE: September 13, 2013

TO: BPA Network Providers

FROM: Business Psychology Associates (BPA)

RE: SUD Program Budgets

In response to concerns we have heard from providers across the state, we would like to take this opportunity to pass along information that IDHW and IDOC have provided regarding recent spending trends. Although the SUD Program experiences fluctuation in spending throughout the year, especially surrounding the beginning and end of the State fiscal year, it is important to note that the overall budgets for treatment services for the populations that will be managed by BPA beginning October 1<sup>st</sup> are very comparable to the budgets last fiscal year for the same populations.

We understand that policy decisions can change the populations and levels of care that are covered, and BPA will work hard to maintain a comprehensive network statewide. Several providers have reached out to BPA Regional Coordinators with specific concerns, and we are addressing those on an individual basis. We hope you will join us in finding creative solutions to meet treatment needs, and at the same time want to reassure you that the overall pool of available funds is stable.

As always, please contact your BPA Regional Coordinator if you would like additional information.

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Thank you!

Sarah Woodley

***From IDOC:***

In January 2013, the IDOC faced two budgetary challenges. One, the FY13 IDOC SUD treatment budget was trending high for the fiscal year to date. Two, forthcoming changes to IC 19-2524, which mandated state funded SUD treatment for all court ordered offenders with an assessed need, would potentially double this referral population.

To avoid the removal of offenders from active care, a reduction in referrals was required to address these budgetary challenges. Service reductions were accomplished via the elimination of rider re-entry referrals to the provider network, as well as a reduction in referrals of offenders who were at "risk to revoke" due to active drug/alcohol usage.

In FY14, the IDOC SUD treatment budget is approximately \$4.7 million, comparable to the FY13 allocation. As of August 31, 2013 the IDOC treatment budget is approximately 6% under spent, primarily due to the phased in implementation of the expanded 19-2524 referrals. The IDOC expects 19-2524 referrals to rise significantly in the coming months, thus eliminating the current under spend. At that time, IDOC will review referral options to maintain budgetary compliance.

The IDOC has over 14,000 offenders on active probation or parole supervision statewide, most of whom have a drug or alcohol history. Through our partnership with the provider network, we will provide SUD services to the greatest number of offenders our budget can sustain. If additional funding is secured this fiscal year, the provider network will be notified and service referrals expanded accordingly.

Thank you for your dedicated service and I am confident we can accomplish our common goals of offender change and community transformation.

***From IDHW:***

It has come to the attention of the Department of Health and Welfare that providers are concerned about a declining rate of client referrals and expenditures for SUD services. DHW believes that this is mainly due to changes implemented for 2 significant DHW populations:

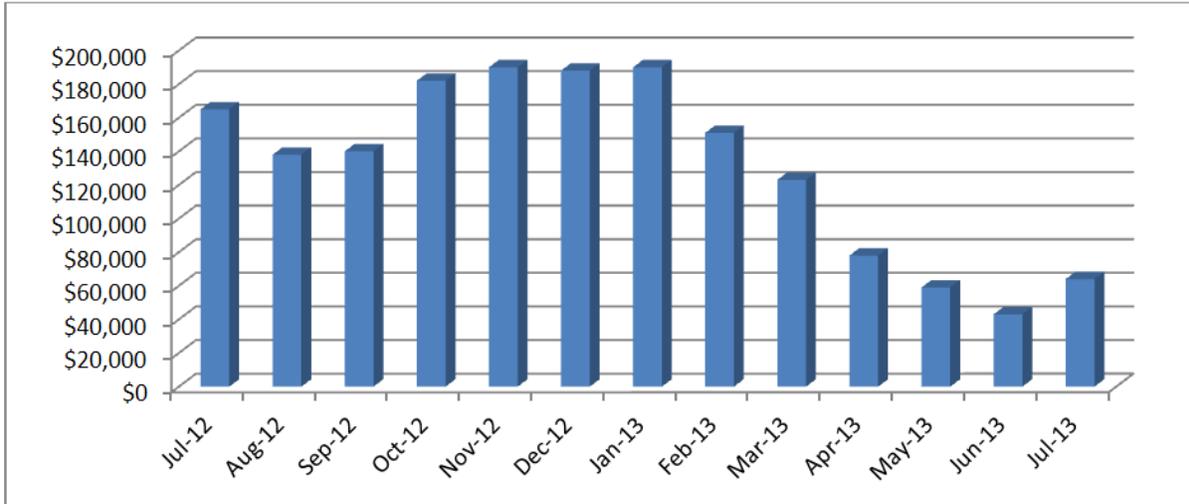
**IVDU**

There was an average expenditure rate of approximately \$170,000/month from July 2012 to February 2013 for the IVDU and IVDU/Medicaid population. This rate of spending exceeded the funding available for this population. As a result, the Department implemented a deferred admission process to IVDU funding that utilized a bundled assessment and short-term treatment authorization along with linkage to community resources. This reduced the average rate of spending to \$86,000/month from February 2013 through July 2013. (BPA Note: The deferred admission process ended on June 30, 2013.)

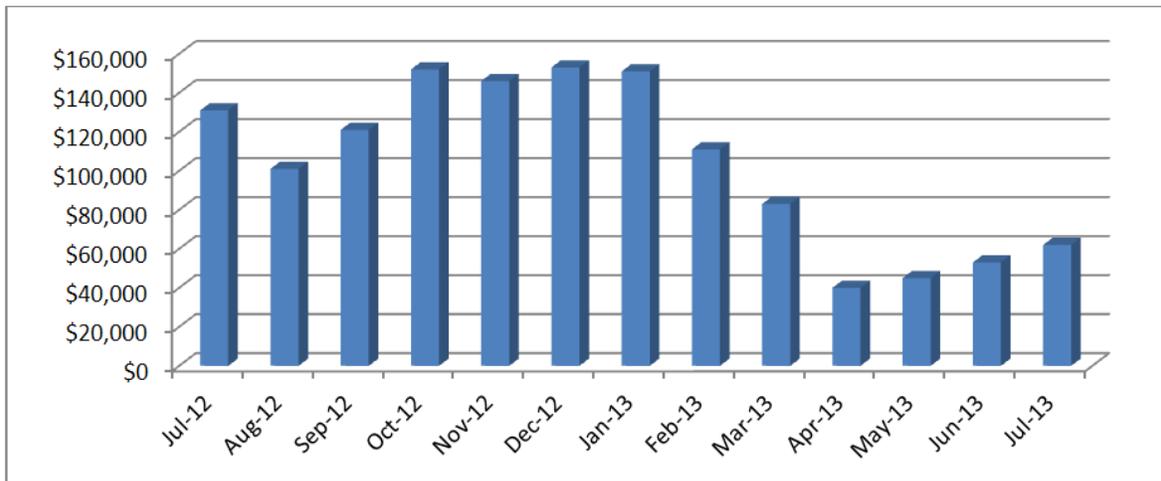
The Department also implemented an Enhanced Intensive Outpatient Program (EIOP) which was an alternative to placement in residential treatment providing the least restrictive level of care. This caused a decline in expenditures for residential treatment for the IVDU population. Of the \$170,000 monthly average spent on the IVDU population, approximately \$136,000/month from July 2012 to February 2013

was spent on residential treatment for this population. Subsequently the average expenditure rate for residential services declined to approximately \$66,000/month with the implementation of EIOP. Again, this was a necessary intervention to prevent overspend of SFY 13 funds and was effective. This EIOP will continue to be utilized in SFY 14.

**Average Monthly IVDU Expenditures**



**Average Monthly Residential Spending**



**ATR Misdemeanants**

Referrals for ATR misdemeanants were suspended as of February 2013 to control expenditures for this specific ATR population. The average expenditure rate for ATR misdemeanants was approximately \$265,000/month prior to the suspension of referrals. This spending declined to \$189,000/month from February 2013 through July 2013 due to this suspension of new referrals. In 2013, ATR misdemeanants

had access to carryover funding from SFY 12, which allowed for a greater monthly expenditure rate during SFY 13. Providers should, however, expect a lower monthly average expenditure rate of approximately \$157,000 for the ATR Misdemeanant population for SFY 14 since we did not have carryover funds for this year. The budget and referral rate for this population will be closely monitored by DHW on a monthly basis.

**Average Monthly ATR Misdemeanant Expenditures**

