Fee-For-Service Discussion

Division of Addiction Services

Quarterly Provider Meeting

February 3, 2011

FFS – Two Questions for Discussion

A. Can the DUII be opened to new clients?

B. When we reopen the DUII, how do we manage access and expenditures given excess demand?

- Stricter adherence to regulatory client eligibility criteria?
- Managing client access/flow?

DAS SFY 2011 FFS Sustainability Model Definition of Terms

Encumbrance- amount allocated through Prior Authorization process; this amount includes total expenditures

Expenditures- services rendered, billed and claims paid against Prior Authorizations;

Burn Rate- Percent of expenditures over encumbrance

Can the DUII Be Opened to New Clients? All Four Criteria Must Be Met to Reopen

1. Total encumbrance is < budgeted initiative authorization amount
2. Percentage of actual year to date expenditures is ≤ the percentage of ideal year to date expenditures
3. Remaining available balance > the cost of continuing care for existing clients
4. Remaining available balance has sufficient funds to admit a minimum number of clients per month

Criteria #1 – Can We Open the DUII to New Clients?
DAS SFY 2011- FFS Sustainability Analysis-DUII

DUII FFS Weekly Snapshot	Open to New Clients	1/28/2011	Actual YTD %	Ideal YTD %
Total Initiative Amount	closed	$ 7,125,000		
Expended		$ 4,005,489	56%	57%
Encumbered		$ 4,954,425	70%	57%
Current Burn Rate		80.85%		

Criteria 1 –Yes

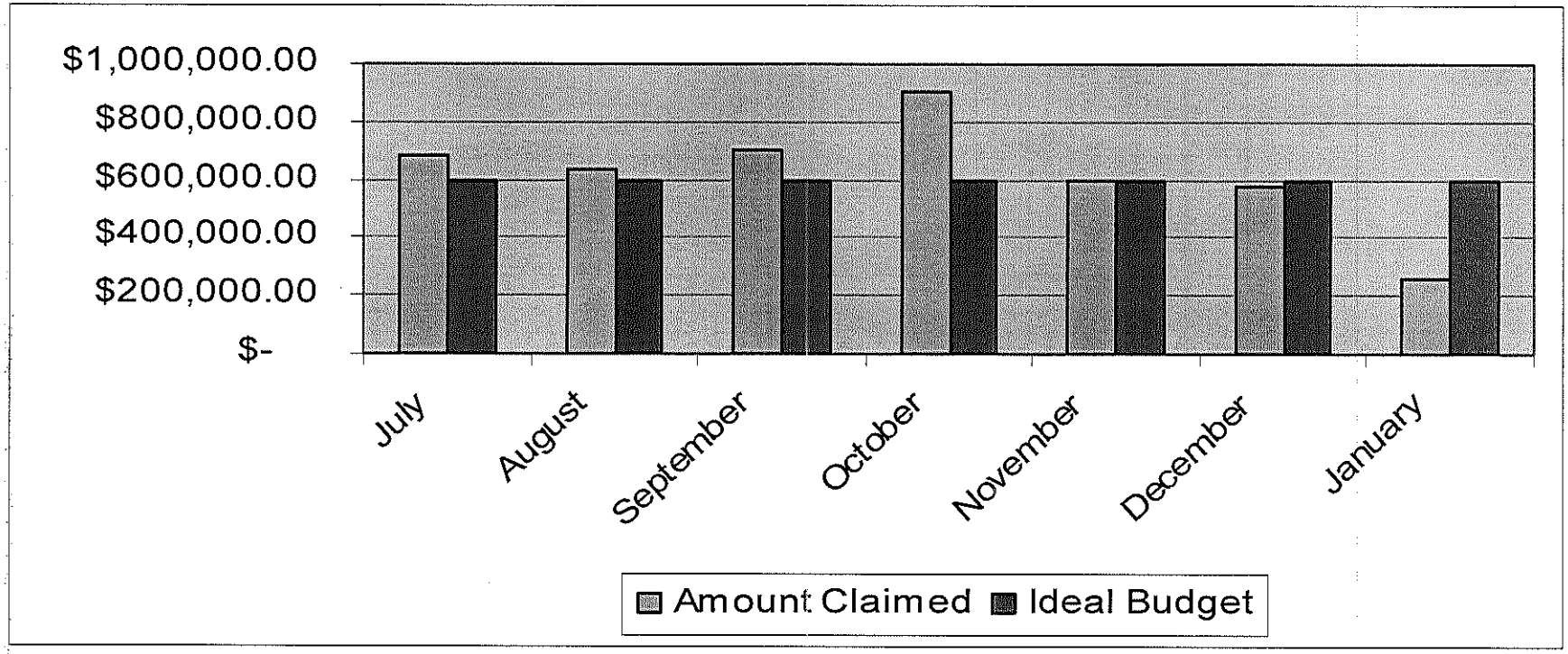
- YTD encumbrance ($4.9 million) < approved authorization initiative amount
- The first criteria has been met
- NOTE: if encumbrance amount = total initiative amount the initiative will close to any Prior Authorizations
    - Very important to keep burn rate high

Criteria #2 – Can We Open the DUII to New Clients? Year to Date (YTD) Expenditure vs. Projected

DUII FFS Weekly Snapshot	Open to New Clients	1/28/2011	Actual YTD %	Ideal YTD %
Total Initiative Amount	closed	$ 7,125,000		
Expended		$ 4,005,489	56%	57%
Encumbered		$ 4,954,425	70%	57%

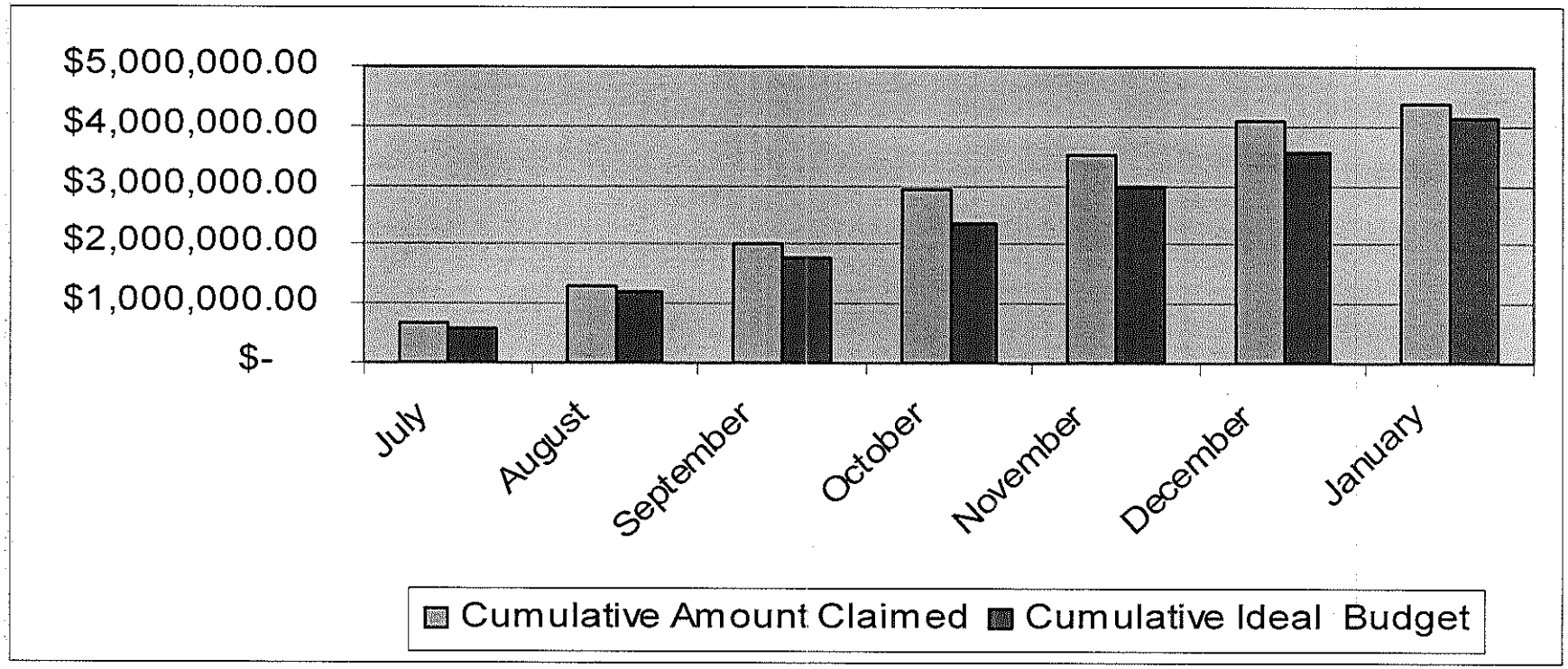
- **Actual YTD %:** How much the initiative has expended/encumbered to date. If a service that was prior authorized has not been rendered, billed or the claim has not been paid, resources can be made available again.
- **Ideal YTD %**: Projected expenditures to support sustainable service for a full fiscal year.
- As you can see, currently the percentage of actual YTD expenditures ≤ the percentage of ideal YTD expenditures
- See Graph of Monthly Expenditures on next slide

SFY 2011 DUII Expenditures by Month



- The actual monthly expenditures have decreased since DUII was closed to new clients on November 28th.

SFY 2011 DUII Cumulative Expenditures by Month



- The actual expenditures as of January 31, 2011 are ≤ the ideal YTD expenditures

Criteria #3 – Can We Open the DUII to New Clients?

- Is the remaining available balance currently > the cost of continuing care for existing clients?

Criteria #3 – Can We Open the DUII to New Clients?
SFY 2011 DUII - Ideal vs Actual Weekly Encumbrance

	Initiative Amt	Weeks Per Year	Average Weekly Encumbrance
IDEAL	$ 7,125,000	52	$ 137,019

	Total Encumbered	Weeks To Date	SFY 2011 Average Weekly Encumbrance
ACTUAL	$ 4,954,425	30	$ 165,147.51

$165,147.51 > **$137,019**

SFY 2011 Average Weekly Encumbrance — **Ideal Weekly Encumbrance**

What Are Anticipated Recovered Funds?

- **Anticipated Recovered Funds**: Based on the burn rate a percentage of funds encumbered will be cancelled or not used by agencies and returned into the available funds pool
  - DAS calculates the anticipated recovery in order to determine funds that will be returned to available funds pool
- Calculation of recovered funds is based on burn rate

Criteria #3 – Can We Open the DUII to New Clients?
SFY 2011 DUII Anticipated Recovery

Encumbered $4,954,425 (as of 1/28/11)

Expenditure = $4,005,489

Difference between Encumbered & Expended		$948,937.00
Encumbered Unavailable	80.85% (burn rate)	$767,183.75
Anticipated Recovered Funds	**19.15%**	**$181,752.77**

Criteria #3 – Can We Open the DUII to New Clients? Proposed Future Encumbrances – New & Existing Clients

Total Initiative Amount	Weeks Remaining in the SFY	Anticipated Recovered Funds	Total Projected Encumbrance Available of Recovery	**Average Weekly Encumbrance since 12/13/2010 (no new DUII clients)**	**Remaining Average Weekly Encumbrance**
$7.1 million – $4.9 million (current encumbrance) $ 2,170,575	22	181,752.77	2,352,327	**121,475**	106,924

- **Remaining Average Weekly Encumbrance**: Total Projected Encumbrance Available / Week Remaining in SFY
  - In order for the initiative to sustain until the end of the SFY, for new and existing clients, the maximum encumbrance for each week should be ≤ the remaining average weekly encumbrance.
  - As you can see, weekly encumbrance exceeds remaining weekly encumbrance - there is no funding for available for new clients

Criteria #4 – Can We Open the DUII for New Clients? Proposed Future Encumbrances – New Clients Only

Total Remaining Initiative Amount	Weeks Remaining	Total Encumbrance Available	Total Projected Encumbrance Available	Remaining Average Weekly Encumbrance	**Existing Clients Average Weekly Encumbrance Amt**	Projected Available Encumbrance for New Clients
$ 2,170,575	22	$181,752.77	$2,352,327	$106,923.97	$ 121,475	**$(14,550.98)**

- Since remaining weekly encumbrance for existing clients exceeds remaining average weekly encumbrance we cannot open to new clients
- The fourth criteria cannot be met
- There is no funding available for new clients

Summary- Can We Open the DUII?

1. Total encumbrance is < budgeted initiative authorization amount (YES)
2. Percentage of actual year to date expenditures is ≤ percentage of ideal year to date expenditures (YES)
3. Remaining available balance > the cost of continuing care for existing clients (NO)
4. Remaining available balance has sufficient funds to admit a minimum number of clients per month (NO)

When the DUII Reopens

- How will we manage access given excess demand?
  - Stricter adherence to regulatory eligibility criteria?
  - Managing client access/flow?

Proposed DUII Eligibility Criteria To Promote Access for Clients Seeking to Fulfill IDRC Requirements

- As per regulations, DAS has the authority to reserve DUII funding for **IDRC referred clients** whose conviction date is on or after October 17, 2005

DUII Authorizations
July 1- December 31, 2010

- Total DUII authorizations = 3,639
  - Unduplicated clients authorized for treatment = 3,016
  - Unduplicated clients authorized for assessment = 128
- Of the total unduplicated clients authorized for treatment:
  - 1,560 (52%) had a conviction on or after 10/17/2005
  - 1,487 had a conviction in 2008 or later
- Of the clients with a conviction date on or after 10/17/2005:
  - 1,384 (89%) had an IDRC referral for services date in the IDRC module
  - 627 (45%) of these IDRC referred clients had a DASIE completed by a provider within 30 days of the IDRC referral

Proposed DUII Eligibility Criteria To Promote Access for Clients Seeking to Fulfill IDRC Requirements

- Promote prompt access for DUII offenders who are motivated for compliance and recovery
- Individuals who are able to access services promptly are more likely to engage in treatment
- Individuals who engage in treatment are less likely to recidivate

Proposed DUII Eligibility Criteria To Promote Access for Clients Seeking to Fulfill IDRC Requirements

- Clients must be referred by IDRC to a DUII participating provider/IDRC affiliate for an assessment
- The referral date in the NJSAMS IDRC module must be on or after 11/1/2010
- The DASIE and Assessment must be completed within 30 days of the IDRC referral date

Options to Manage Access – Points for Further Discussion and Recommendations

- A set-aside for assessment only to ensure DUI conviction compliance
- Proposed revised eligibility criteria
  - Conviction after 10/17/05
  - Referred through the IDRC module
- Separate allocations for new and continuing clients
- Weekly or monthly encumbrance allocation for new clients only
- Defined allocation amounts by level of care
- Strategies to manage waiting list if recommended
  - at the provider level
  - at county level
  - at DAS level
- Vouchers issued to clients through a central access point