

Effective Date: 7/1/2013

Supersedes: 9/15/2010

Program Utilization Requirements

Definitions:

Utilization – The value of the direct treatment services provided over a given time period divided by the grant amount allocated to that same period of time.

Over-utilization – Utilization in excess of 100%

Under-utilization – Utilization below 90%

SATIS data – Treatment Episode Data provided to The Division of Alcohol and Drug Abuse Programs by treatment providers as a requirement. There are three main tables, an admissions table, a services table, and a discharge table. This data is used to track treatment services provided to clients.

Direct treatment services – Any treatment services provided that are reported through SATIS data.

Policy:

Annual Treatment Plan – Recipients of state grants for residential and halfway substance abuse treatment services will include a service plan including the value of direct treatment services to be provided. The plan will address the services and activities to be provided by the professional treatment personnel that are supported by state funds for the full period for which funding is provided. The service plan is calculated on the basis of the value of the services, calculated by the rate and units of services provided to uninsured clients as reported by providers through the SATIS services table.

Rates -- Current standard rates will be issued each fiscal year. Changes may be made to the standard rates. These changes may be based on the costs to provide services, legislative directives, industry standards, or other guidance. Changes to rates will be dependent on availability of funds.

Uninsured Utilization Policy – This applies to all providers of Residential and Halfway treatment services.

All recipients of state funds for treatment services are required to achieve 90% utilization of services to uninsured clients. Failure to achieve 90% utilization over the full period of funding will be considered, by the State, in its determination of funding levels for subsequent periods. The inability of the recipient agency to correct continued underutilization of services will result in permanent reductions in funding.

Program utilization will be reviewed on a quarterly basis prior to advancing the payment for the upcoming fiscal quarter. If utilization cannot be calculated due to lack of data from the provider, funds will be withheld until the data has been submitted.

The average utilization over the quarter will be calculated for each grantee based on the payment responsibility listed in the SATIS services table. If the average utilization over the quarter for a program is below 90% the program is subject to payment adjustments unless the fiscal year to date utilization for that program is above 90%. All payment adjustments will be commensurate with the rate of under-utilization (below 90%). Any payment adjustments enacted during the period of funding may be earned back by meeting the minimum utilization requirement of 90% over the full period of funding.

If a grantee eliminates a service level during the course of the fiscal year, no additional funds will be paid for that service. Funds may be reallocated to other service levels if: provided 1) ADAP has provided approval and 2) Funds are still available. If no services are provided and no alternative services are identified, funding must be returned to ADAP.

At any time, a provider may submit a written request to amend the grant to reallocate funds. If ADAP is able to honor the request, reallocations of funds will apply to the full period of the grant so allocating funds to an over-utilized service from an under-utilized service will impact utilization over the entire period of the grant. Requests for amending a grant must be directed to ADAP's Treatment Chief.

Reporting – All recipients of state funds must submit client data on services and activities in the form and format prescribed or referenced in the grant documents. A utilization report will be provided by ADAP to all recipients of state funds upon receipt of the information, e.g. client data, from the provider. Each report will include the services provided for each completed month of the funding period, the utilization rate for each month and the cumulative services and utilization rates year to date.

Payment may be withheld pending data if these reports are not received as required. Any payments withheld due to lack of reporting may be recouped by providing all required data and reports to the Division of Alcohol and Drug Abuse Programs.

Sample Utilization/Payment Schedule for Grants for a Standard Fiscal Year

Quarter Services Provided	Date of Payment	Items Due Prior to Payment	Possible Current FY Adjustments	Possible Next FY Adjustments
Q1	July 1	Signed grant agreement, all required reporting per the previous year grant, Previous Year Q3 utilization data	Payment may be delayed pending receipt of reports	
Q2	Oct 1	Required reports as outlined in the grant, Previous Year Q4 utilization data	Payment may be delayed pending receipt of reports	
Q3	Jan 1	Q1 Utilization Data, Required reports as outlined in the grant,	Financial adjustments/return of funds may be implemented Payment may be delayed pending receipt of reports Medicaid overutilization recoupment for residential treatment providers and designated agencies.	
Q4	Apr 1	Q2 Utilization Data, Required reports as outlined in the grant,	Financial adjustments/return of funds may be implemented Payment may be delayed pending receipt of reports Medicaid overutilization recoupment for residential treatment providers and designated agencies.	Low FYTD utilization may result in decreases in funding for next FY. High FYTD utilization may result in increases in funding for the next FY

Program Approval – All recipients of state funds for direct treatment services must conform to ADAP program approval standards. Lack of compliance with program approval standards or significant delays

in responding to identified items of partial or non-compliance may result in withholding payment until such time as program standards have been met.

Notification – Programs will receive a utilization summary after data has been submitted to and processed by ADAP. and are expected to use this information to determine their own utilization status. If the average utilization over a quarter for a program is below 90% the program is subject to payment adjustments unless the fiscal year to date utilization is above 90%. Payment adjustments may be implemented on the next scheduled quarterly payment.

Waiver – Programs may experience unusual problems or situations that may have direct impact on the program’s utilization. Programs should notify ADAP’s Treatment Chief, in writing, as soon as these situations become known. Depending upon the historical performance of the organization, the circumstances giving rise to the under-utilization and the corrective action planned by the recipient program, the Treatment Chief may waive the reduction in payment. The waiver provision is limited to one time per funding period.

Payment Adjustments for uninsured clients -- The ADAP Treatment Chief will instruct the business office to institute the provision for adjustments in payments with the next scheduled payment. Adjustments will be in five (5) percent increments and will be based on the utilization rate of most recent quarterly average or the year to date utilization for the program, whichever is the higher of the two. If a provider is over utilizing in one area and underutilizing in another, the value of the overutilization will be taken into consideration when making adjustments.

A schedule of adjustments is as follows:

<u>Utilization Rate</u>	<u>Adjustment in Quarterly Payment</u>
85-89%	-5%
80-84%	-10%
75-79%	-15%
70-74%	-20%
65-69%	-25%
60-64%	-30%
55-59%	-35%
50-54%	-40%
Below 50%	Stop Payment

The payment adjustment will be assessed against the next scheduled payment for the Fiscal Year. If there are no remaining scheduled payments in the Fiscal Year, ADAP may require the provider to return the funds. In addition, grant amounts for the next fiscal period may be reduced to reflect this underutilization.

Appeal -- Any actions taken by the State in regard to the above policy may be appealed by the recipient program to the Deputy Commissioner. The Deputy Commissioner will review the merits of the appeal and will inform the program of his/her decision within thirty (30) days of the receipt of the appeal. The Deputy Commissioner, at his/her discretion, may call for a meeting between the parties within 15 days of the request. If a meeting or the parties is held, then the Deputy Commissioner will notify the program of his/her decision within fifteen (15) days of the meeting. All grant payments will be withheld pending the outcome of the appeal.