

**COUNTY OF MILWAUKEE**  
**Behavioral Health Division Administration**  
INTER-OFFICE COMMUNICATION

**DATE:** January 31, 2007

**TO:** Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

**FROM:** Rob Henken, Director, Department of Health and Human Services  
*Prepared by: James M. Hill, Administrator, Behavioral Health Division*

**SUBJECT: REPORT FROM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING AUTHORIZATION TO IMPLEMENT AN ALCOHOL AND OTHER DRUG ABUSE (AODA) SUSTAINABILITY PLAN FOR 2007**

**Policy Issue**

Chapter 51 of the Wisconsin Statutes states that “The County Board of Supervisors has the primary responsibility for the well-being, treatment and care of the mentally ill, developmentally disabled, alcohol and drug dependent citizens residing within its county and for ensuring that those individuals in need of such emergency service found within its county receive immediate emergency services. The primary responsibility is limited to the programs, services and resources that the County Board of Supervisors is reasonably able to provide within the limits of available state and federal funds and of county funds required to be appropriated to match state funds.”

For 2007, the Behavioral Health Division (BHD) projects that the amount of funds available for AODA voucher services will total approximately \$11 million, or 61% of what was spent in 2006 (approximately \$18 million). This situation is caused by the expiration of the Federal “Access To Recovery” (ATR) grant on August 2, 2007, and increased AODA service and treatment expenditures that originally occurred in August 2006 and that continued through the end of the year.

In order to appropriately address the projected insufficient amount of AODA voucher funding available to meet projected demand in 2007, and to prepare for a further reduced amount available in 2008 due to the likely loss of “Access To Recovery” funds, it is necessary to develop, recommend and implement an “AODA Sustainability Plan”. This report describes the plan developed by BHD and seeks approval by the County Board of Supervisors of the proposed “AODA Sustainability Plan” as presented in this report.

**Background**

The redesign of the AODA services system in early 2004 into what is now known as the Wiser Choice Alcohol and Other Drug Abuse Services System, coupled with the infusion of Federal Substance Abuse and Mental Health Services Administration (SAMHSA) ATR grant funds, has enabled BHD to both create the types of services necessary to enhance the recovery of persons

having a substance abuse or dependency problem, and to substantially increase the number of persons accessing and receiving treatment.

As noted above, the ATR grant, which has provide an infusion of approximately \$22 million of funding into the County's AODA system over a three-year period, will expire on August 2, 2007. It originally was believed that, based upon the inclusion of new ATR funds in the President's Fiscal Year 2006 budget, Wisconsin and Milwaukee County would be in a good position, based upon performance, to successfully compete for the new funds. However, it now appears that Congress will re-direct the funds included in the President's budget to other AODA-related programs. This action, if enacted, likely will result in a significant loss of AODA funds for Milwaukee County.

It also was anticipated that, in light of carryover funds available from the first two years of the ATR grant, there would be sufficient grant funding available in calendar year 2007 to continue the Wiser Choice program for the full year without significant cutbacks. However, the most recent analysis of AODA expenditures indicates that the AODA system is now experiencing financial stresses which, if not addressed now, will considerably limit the availability of AODA treatment services in 2007.

While there may be a possibility of increased AODA funding for Milwaukee County as part of the State's 2007-09 budget planning process to supplant, in part, the loss of Federal funds, BHD cannot and did not assume any additional funds for either 2007 or 2008 in the preparation of the "AODA Sustainability Plan." However, the plan has been structured in such a way to allow for the accommodation of additional funds from whatever sources, without requiring major modifications to the current AODA services system.

### **AODA Sustainability Plan**

The Milwaukee County Wiser Choice system is composed of four major components: Comprehensive AODA screening through three Central Intake Unit (CIU) sites; Recovery Support Coordination (RSC) provided for each enrolled client; the provision of Recovery Support Services (RSS); and the provision of clinical treatment services. Through the proposed Sustainability Plan, it is intended that all four major components will remain in place, as they are the core elements of the redesigned AODA system. However, due to the limitations in funding for 2007 and further anticipate reductions that could result in pre-Wiser Choice funding levels, the Sustainability Plan not only addresses funding and services for 2007, but also anticipates 2008 funding levels. In addition, the Sustainability Plan contains a Fiscal Section that establishes the financial framework of the Sustainability Plan.

#### *AODA Sustainability Plan Recommendations:*

##### 1) Fiscal

Establish monthly spending "caps" in each of the following AODA program areas: Recovery Support Coordination, Recovery Support Services and Clinical Treatment Services. It is anticipated that approximately \$11 million will be available for RSC, RSS and Clinical

Treatment Services in 2007. In order to manage the total pool of funds available and, moreover, to ensure that the amount of funds available by the end of the calendar year is equal to the anticipated funds available in January 2008, it will be necessary to establish financial caps for each month beginning as early as February 2007, upon approval of the County Board, but no later than March 1, 2007. The monthly financial caps will be determined by monitoring prior month expenditures, or what is known as the "burn rate" in each of the three program areas. Monthly adjustments to each of the program areas will be made in accordance with the burn rate. BHD has the capacity to monitor the burn rate and total expenditures on a regular basis, thus enabling BHD to accurately forecast the next and succeeding month's expenditure cap amount. Please note that BHD's intention would be to decrease the monthly cap amounts each month, thus ensuring that the Division will not experience a precipitous drop in available funds as we enter 2008, when there may only be approximately \$6.5 million available in voucher funds.

The reduction in available funds each month will result in decreasing amounts of RSC, RSS and clinical treatment availability.

## 2) Central Intake Unit Services

- a) Provide AODA screens only to individuals having no insurance, including T-19 (except for TANF eligible clients). Refer individuals with insurance to their provider network.
- b) Refer individuals with insurance to their respective systems for service, e.g., Veteran's Administration.
- c) Establish minimum time frames for AODA re-screening, e.g., one screen every six months or staggered timeframes depending upon the number of failed treatment episodes.
- d) Eliminate special AODA screening of Department of Correction (DOC) Prison Re-entry and Alternative to Revocation clients on or about April 1, 2007. As part of the ATR grant the prison re-entry and alternative to revocation population was included. Through this process, AODA screeners traveled to prison sites, including Taycheedah, Ellsworth Correctional Facility, Milwaukee Secure Detention Facility and Bureau of Community Correction sites, specifically to conduct on-site AODA screens prior to release from prison or to prevent revocation. Although the ATR grant requirement to serve this population ends as of August 2, 2007, the April 1, 2007 cut-off date is recommended, as the average length of treatment participation for clients screened and enrolled in service is approximately three months. Therefore, to screen and admit DOC prison re-entry and revocation clients subsequent to April 1 will result in the expenditure of non-ATR funds. BHD will continue to screen prison re-entry individuals and revocation clients upon appearance at the CIU sites. This recommendation does not apply to the Female Offender Re-entry Program (which is State-funded), nor does it apply to Probation and Parole clients or Treatment Alternatives and Diversion grant clients.
- e) Provide ability to reduce CIU screening capacity by reducing the number of screeners. This will result in a lower number of screens, a manageable wait list and increase AODA voucher funds for clinical services.

### 3) Recovery Support Coordination Services

- a) Restrict the availability of RSC services to clients receiving an AODA residential or day treatment level of care or who are TANF-eligible, unless determined by BHD staff that RSC services are clinically necessary. Consequently, clients assessed as being appropriate for AODA outpatient services who are not TANF-eligible would not receive a Recovery Support Coordinator unless determined clinically appropriate by BHD staff.
- b) Reduce three Recovery Support Coordination teams effective April 1, 2007. This recommendation is directly tied to (a.) above. If RSC services for the outpatient Level of Care program area are eliminated, there will be a reduced need for Recovery Support Coordination teams.
- c) It is also recommended that the number of RSC teams be reduced in succeeding months until such time that three teams remain operational in 2008.
- d) All RSC team reductions will be based upon a combination of performance and the need to address special populations.

### 4) Recovery Support Services

- a) Establish an amount available each month for RSS services. The amount available would decrease each month in conjunction with the funds available as determined by the total monthly spending cap for all services.
- b) Eliminate funding for the following RSS services: Security Deposits and first month's rent; GAMP enrollment payments; and miscellaneous payments, e.g., clothing, food, and other services that are readily available in the community. These services consume a significant portion of RSS expenditures, and elimination of payment for these services will result in more funds being available for clinical treatment services.

### 5) Clinical Treatment Services

Establish monthly funding caps for each level of care, i.e., residential, day treatment and outpatient. Further, separate caps for transitional, medically monitored and "bundled" residential treatment would be defined. This recommendation is being made because there are significant cost differentials among the services as well as clinical assessment differentiations.

#### *Fiscal Rationale*

Wiser Choice was fully implemented on June 20, 2005. Expenditures in the AODA system grew over the first 12 months, peaked in August 2006, and then declined slightly. The final billings for December 2006 have not been calculated yet, but the projected amount spent for all AODA services in 2006 is \$17,943,369.

Unless there is an infusion of funds into the AODA system, the current budget for 2007 is approximately \$11,039,355 (contingent upon the final December 2006 billings). Furthermore,

the anticipated 2008 budget – assuming that all Federal funding is eliminated and not replaced – is \$6,485,250.

Using the last three months of 2006 for which full financial data is available (September, October and November), the average monthly expenditure is \$1,695,132. If this monthly amount is annualized, 2007 is projected to have an operating deficit of \$9,302,229, and 2008 an operating deficit of \$13,856,334, if no changes are made to the system. All funds will be exhausted on or about July 17, 2007 if expenses are not curbed.

The proposed AODA Sustainability Plan reduces expenditures using a weighted scale over the course of the year to achieve congruence with the projected 2008 budget. Expenses are reduced monthly from an average current monthly amount of \$1,695,132 to the projected monthly amount available in 2008 of \$540,437.

The AODA provider network has 45 days in which billings for services may be submitted. Most billings are received within 30 days. Services provided in one month are accounted for in the next month. Therefore, delay of this plan will substantially impact the projections presented herein, and require the plan to be re-worked with even greater monthly reductions. Moreover, if there is a delay in implementation of this plan, then reductions in service would need to be accelerated at the beginning of the plan so that savings may accrue to the end of the year. Likewise, this proposed plan could accommodate the infusion of additional funds or cost savings by adjusting the available monthly amount.

The table below indicates monthly reductions in the three broad categories of funding that would be necessary to achieve a total 2007 expenditure amount of \$11,039,355, and that would result in a monthly spending amount as of December 2007 that is consistent with the worst case scenario monthly spending amount that can be projected for 2008. Again, it is critical to note that if additional Wiser Choice dollars are secured for either 2007 or 2008, immediate modifications to the plan can be made so that increased funding levels are sustained.

<u>Category</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
RSC	\$473,891	\$473,891	\$381,551	\$323,633	\$323,633	\$323,633
Treatment	\$1,099,117	\$1,099,117	\$835,329	\$643,203	\$514,563	\$427,087
Ancillary	\$122,124	\$122,124	\$92,814	\$71,467	\$57,174	\$47,454
<b>Sub-total</b>	<b>\$1,695,132</b>	<b>\$1,695,132</b>	<b>\$1,309,694</b>	<b>\$1,038,303</b>	<b>\$895,369</b>	<b>\$798,174</b>
<u>Category</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
RSC	\$323,633	\$184,933	\$184,933	\$138,700	\$138,700	\$138,700
Treatment	\$405,733	\$385,446	\$372,288	\$361,563	\$361,563	\$361,563
Ancillary	\$45,081	\$42,827	\$41,365	\$40,174	\$40,174	\$40,174
<b>Sub-total</b>	<b>\$774,447</b>	<b>\$613,206</b>	<b>\$598,586</b>	<b>\$540,437</b>	<b>\$540,437</b>	<b>\$540,437</b>

### **AODA Sustainability Plan Summary**

The sustainability plan described above retains all components of the re-designed AODA system, e.g. enhanced AODA screening process, Recovery Support Coordination and Recovery Support Services as well as clinical treatment services, albeit at a reduced level of availability. Although the plan as presented reflects a reduced level of funding and services in 2007, the system will still have considerably more capacity than historically was available prior to the development of the Wiser Choice system.

### **Recommendation**

It is recommended that the County Board of Supervisors authorize the Director, DHHS, to implement the AODA Sustainability Plan as presented. Approval of this plan in accordance with the timeframes identified will enable BHD to maximize its available resources so that individuals having substance abuse or dependency problems can be provided necessary treatment to the maximum extent possible.

### **Fiscal Note**

The AODA Sustainability Plan presented in this report is designed to allow BHD to successfully manage the Wiser Choice program within available budgeted resources. Consequently, authorization to implement this plan will result in no budgetary impact. Failure to implement this plan or alternative steps to reduce expenditures or generate additional revenue could lead to significant cost overruns in BHD's AODA program. A fiscal note form is attached.

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