

DASA Treatment Expansion Update

Expanding access to alcohol/drug treatment



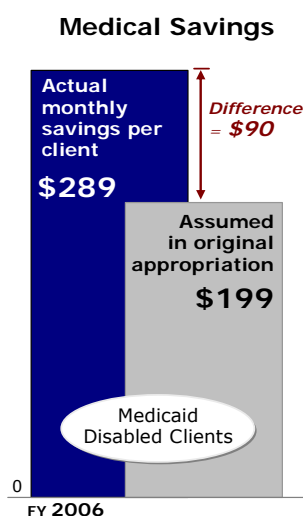
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Background

SENATE BILL 5763, The Omnibus Treatment of Mental and Substance Abuse Disorders Act of 2005 provided expanded funding for chemical dependency treatment of approximately \$32 million for adults and \$6.7 million for youth. The adult expansion was targeted for adults on Medicaid and General Assistance and was funded primarily by assumed savings in medical and long-term care costs. Youth expansion funds were earmarked for adolescents in households with income below 200 percent of the federal poverty level. No offsetting savings were budgeted for the youth treatment expansion.

Actual cost savings per treated client are better than expected

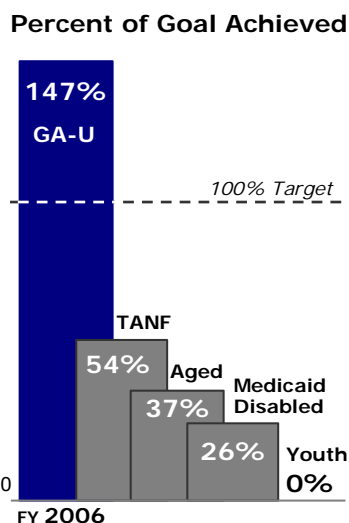


Medical savings per treated client are exceeding the original budget assumptions.

- For adult **Medicaid Disabled** clients, **medical savings** are now estimated to be **\$289** per treated client per month, compared to \$199 in the original appropriation.
- For adult **Medicaid Disabled** clients, **nursing home savings** are estimated to be **\$115** per treated client per month, compared to \$58 in the original appropriation.
- Actual **medical savings** for **GA-U clients** are estimated to be **\$138** per treated client per month, compared to \$117 in the original appropriation.
- Potential savings in other areas including criminal justice and child welfare costs have not been estimated.

FISCAL YEAR 2006	Assumed	Actual	Difference
Disabled – Medical Savings	\$199	\$289	+ \$90
Disabled – NH Savings	\$58	\$115 ¹	+ \$57
GA-U – Medical Savings	\$117	\$138	+ \$21

Treatment expansion ramp-up has been slower than expected



For most target populations, the number of additional clients in treatment has fallen short of the originally budgeted targets.

For the key Medicaid Disabled population, the 2005-07 Budget assumed that 4,386 additional clients would be in treatment in FY 2006. The actual expansion for Medicaid Disabled clients in FY 2006 was 1,129 – 26 percent of the original goal.

The expansion has also fallen short of the goals for other Medicaid target groups, but has exceeded the treatment targets for GA-U clients. Treatment levels for youth have not increased significantly above baseline levels.

- The Bottom Line:** Despite greater-than-anticipated savings on a per-client-treated basis, total savings in the 2005-07 biennium will be lower than originally budgeted due to the slower than expected ramp-up of treatment.

¹ Estimate to be reviewed by the Caseload Forecast Council long-term care technical workgroup.

