



Incentives and Alerts for Improving Substance Abuse
Treatment in Washington State

FREQUENTLY ASKED QUESTIONS: INCENTIVES ARM

LIST OF QUESTIONS:

1. [How can my agency earn incentives?](#)
2. [How does the point system work?](#)
3. [What if my agency has more than one level of care?](#)
4. [How much work will it be for my agency to be involved in this project?](#)
5. [For how long will agencies be able to receive incentives? \(e.g., how many quarters?\)](#)
6. [When will agencies receive the incentives?](#)
7. [How will my agency receive the incentive payments from the state?](#)
8. [What if our performance rates stay the same? Will we be eligible to get an incentives payment or will we be penalized?](#)
9. [My agency already has high rates of engagement/continuity of care. How will that affect our involvement?](#)
10. [My agency serves clients with very difficult, complicated lives and that is why we have lower engagement/continuity of care rates. It is not fair that we will be less likely to earn incentives than those who have clients with fewer hardships.](#)
11. [Some agencies have multiple levels of care. It will be much easier for them to have higher continuity of care rates.](#)
12. [For continuity of care measures, which agency receives the incentives, the sending agency discharging the client or the receiving agency?](#)
13. [Are there limits to how we use the incentives?](#)
14. [If the study determines that incentives and/or alerts improve program performance and client outcomes, will Washington State adopt these approaches?](#)

[Where can I find more information?](#)

[Who can I contact if I have questions?](#)



QUESTIONS WITH ANSWERS:

1. How can my agency earn incentives?

Agencies in the incentives arm will be allocated financial incentives based on a points system in which a score is calculated based on the combination of: 1) achievement of benchmark levels of the performance measures; and 2) improvements from their agency's own performance since the baseline period (the previous year). Agencies in this group have the opportunity to receive quarterly payments based on their scores and the number of clients served per quarter.

[BACK TO LIST OF QUESTIONS](#)

2. How does the point system work?

- *Achievement Points* are awarded by comparing an individual agency's rates during the Performance Period with a "benchmark" that defines a "high" level of performance. For this project, the benchmark is defined as the 90th percentile of baseline period. To be eligible for achievement points, a provider's rate must be at the 50th percentile (i.e., the achievement "threshold") of the baseline period or higher. The range between the achievement "threshold" and the "benchmark" is divided into 9 equal increments. Reaching the "threshold" earns the provider one point. Additional points are earned as the provider's rate increases. Each increment between the "threshold" and "benchmark" is worth one additional achievement point.

Points will be calculated on a quarterly basis. If a provider's rate drops from one quarter to the next, the rate in the current quarter will be used to determine incentive eligibility. Providers will earn achievement points as long as their rate is greater than or equal to the achievement threshold.

- *Improvement Points* are awarded by comparing an individual agency's rates during the Performance Period with their own prior performance in the baseline period. The range between the agency's baseline performance and a "benchmark" that defines a "high" level of performance will be divided into 10 equal increments. For this project, the benchmark is defined as the 90th percentile of baseline period. As the provider's rate increases, points are accumulated as each increment of the 10 increments between the provider's performance in the baseline period and the "benchmark" is crossed.
- The higher of the two points (achievement vs. improvement) will be your agency's score for the quarter. For examples on how points are calculated, please visit http://www.dshs.wa.gov/dbhr/incentives_project.shtml.

[BACK TO LIST OF QUESTIONS](#)



3. What if my agency has more than one level of care?

If an agency has more than one level of care, the agency will have separate scores for each performance measure.

[BACK TO LIST OF QUESTIONS](#)

4. How much work will it be for my agency to be involved in this project?

No additional work is required so there is no burden to your agency. However, since your agency has been randomly selected to be in the incentives arm of the study, you may choose to initiate or modify current activities to improve your performance measures in order to receive incentives. You may decide on steps that are needed to keep targeted clients on track to engage in treatment or achieve continuity of care after residential or detoxification services. It could be as simple as a reminder call to the client to return for a visit or make contact with a referral to aftercare. These and any other steps for improving performance are optional and up to your agency.

[BACK TO LIST OF QUESTIONS](#)

5. For how long will agencies be able to receive incentives? (e.g., how many quarters?)

The study runs for 6 quarters, starting October 2013 and ending March 2015. Agencies in the incentives or the incentives plus alerts groups will be able to earn incentives for each of the 6 quarters.

[BACK TO LIST OF QUESTIONS](#)

6. When will agencies receive the incentives?

Incentives will be distributed about one to two months after the end of each quarter.

[BACK TO LIST OF QUESTIONS](#)

7. How will my agency receive the incentive payments from the state?

Residential agencies will be paid through your already-existing contracts with BHSIA. The new biennial contracts will include provisions for being paid for incentives. The method of payment will be on an A-19.

Outpatient and detoxification agencies will be paid through your subcontract with the county. BHSIA will add the incentives provisions with your county's contract and the county will be required to pass this down to your agency as they are earned. From a county's perspective, BHSIA will develop an A-19 for each county for all the agencies which includes the entire incentive for all counties. It will be itemized by agency with a separate line indicating the *% that the county gets to keep for administration. DBHR will pay each county which in turn will forward a separate check to each agency that has earned an incentive.

[BACK TO LIST OF QUESTIONS](#)



8. What if our performance rates stay the same? Will we be eligible to get an incentives payment or will we be penalized?

There are no penalties. An agency can receive incentives payments when their performance rates improve or if they achieve (or already are at) the benchmark level.

[BACK TO LIST OF QUESTIONS](#)

9. My agency already has high rates of engagement/continuity of care. How will that affect our involvement?

Incentives can be earned in two ways: for improvement over current performance, and for achievement of benchmark levels. So, no matter what your current performance is, your agency can earn incentives. If your performance rates are already high, then you will score achievement points which will in turn translate to incentives.

[BACK TO LIST OF QUESTIONS](#)

10. My agency serves clients with very difficult, complicated lives and that is why we have lower engagement/continuity of care rates. It is not fair that we will be less likely to earn incentives than those who have clients with fewer hardships.

Incentives are received for improvement over your agency's prior year performance and not just for reaching benchmarks. An agency can always earn incentives by improving even when they do not reach a benchmark.

[BACK TO LIST OF QUESTIONS](#)

11. Some agencies have multiple levels of care. It will be much easier for them to have higher continuity of care rates.

Incentives are received for improvement over the prior-year performance so agencies in the incentives or incentives/alerts arms, regardless of how many levels of care, will be able to improve and earn incentives.

[BACK TO LIST OF QUESTIONS](#)

12. For continuity of care measures, which agency receives the incentives, the sending agency discharging the client or the receiving agency?

The agency discharging the client will receive the incentives.

[BACK TO LIST OF QUESTIONS](#)

13. Are there limits to how we use the incentives?

Providers can decide how to use the money as long as it is within the Block Grant allowances.

[BACK TO LIST OF QUESTIONS](#)



14. If the study determines that incentives and/or alerts improve program performance and client outcomes, will Washington State adopt these approaches?

If incentives and/or alerts produce a degree of improvement in program performance that offsets the cost of providing incentives, BHSIA will work to adopt these approaches.

[BACK TO LIST OF QUESTIONS](#)

Where can I find more information?

http://www.dshs.wa.gov/dbhr/incentives_project.shtml

Who can I contact if I have questions?

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