

November 15, 2016

Joint Committee on Corrections and Juvenile Justice Oversight

Thank you Chairman Smith and Members of the Committee,

I am Shane Hudson, Vice Chair of the Kansas Association of Addiction Professionals (KAAP) and Vice President of Clinical Operations for the Central Kansas Foundation located in Salina and serving Kansans from Topeka to the Colorado border. KAAP is the state's only professional association devoted solely to representing substance use disorder treatment and prevention programs in Kansas. Our membership includes for profit and not-for-profit programs, local government agencies, some community mental health centers, and individuals in private practice.

We appreciate the opportunity to provide some deeper background on issues related to substance use disorder treatment and prevention programs in Kansas and noting specific offender treatment issues.

- The services we provide to Kansans are a small part of the budget of the Kansas Department on Aging and Disability Services, and a few other state agencies.
- You should note two things:
 - Behavioral health is separated into mental health and substance use disorder treatment services.
 - Further, the vast majority of all behavioral health is taking place in your communities is with hundreds of providers.
- The majority of KDOC controlled behavioral health services is within correctional facilities through contracts with private vendors.
- Most community based behavioral health services, particularly for offenders (adult and juvenile on community supervision) are limited pending on regional availability and unless a separate funding source is available (such as Senate Bill 123) offenders are in the same treatment pool as others without insurance.

We will provide information regarding the following topics and issues. We in Kansas have a good system in place but funding is a challenge. There are many more people that need services than those who actually receive service. Today, I will summarize:

1. The prevalence of substance abuse issues in Kansas.
2. A brief summary of how the current publically funded system works in Kansas.
3. How the State funds SUD treatment and prevention.
4. Prevention system.
5. Where there are there issues and gaps in the system.
6. Outstanding issues, especially correctional services issues.

1. SUD prevalence

2007 was the last professional assessment of unmet needs in Kansas. See the attached study summary commissioned by the Kansas Department on Social and Rehabilitation Services.

We have no evidence that the proportional prevalence of substance abuse has changed since 2007.

The unmet needs exist in Kansas for adults and juveniles who need services and are not always receiving them. Several recent studies have noted that for every dollar invested in treatment, \$4 to \$7 dollars in savings are gained.

2. How the SUD and prevention programs are funded

- **Federal block grants.** The federal government provides states funding in a block grant to be distributed for SUD prevention and for treatment of individuals without private insurance or Medicaid. Approximately \$14 million in federal funds is distributed from KDADS to the state SUD managed care administrative services Organization, currently Beacon Health Options. In our state people are eligible for this if they are KS residents and 200% and below of federal poverty guidelines.
- **Medicaid.** Adults and children who are Medicaid eligible in Kansas can receive SUD treatment through the KanCare Medicaid system. Approximately \$15 million is spent on this population. Medicaid only provides services to children up to 19, pregnant women, and parents of children below the poverty level. The vast majority of Kansans who need services are not Medicaid eligible.
- On average in our system 70% of people served are block grant funded while 30% are Medicaid. However, juveniles are more likely to have Medicaid or commercial coverage than most adults.
- **Senate Bill 123.** The State funds at approximately \$6 million annually the treatment instead of incarceration program since 2005. These funds are in the Kansas Sentencing Commission budget.
- **DUI.** A small amount of funding (less than \$1.0 million) is provided from the state through fees to provide treatment to third and subsequent DUI offenders.
- **Problem Gambling and Addictions Fund.** Kansas gaming sets aside 2 percent of gaming revenue for problem gambling and other addictions services. Problem gambling addictions treatment have been funded, but over \$9 million in funding intended to expand other addiction services has never been spent as intended to expand services. The State has used, and includes again this year, these funds to supplant State General Fund dollars to match Medicaid funding.

3. How the system works.

We have a statewide network of treatment and prevention private providers in Kansas. For most clients entering the system for treatment, an assessment is completed as the first step. Then a level of care is determined, based on ASAM (American Society of Addiction Medicine) guidelines included therein. These levels of care include the following:

- Outpatient and intensive services (includes counseling, case management and peer support)
- Residential services (including detox, intermediate and reintegration)
- Hospitalization

Most people do not require hospital levels of care for their substance use disorders.

Approximately 300 licensed private providers deliver these services throughout the state with

about 50 of them delivering the bulk of care to block grant funded – indigent clients who are Kansas residents 200% of federal poverty guidelines with no insurance.

4. The Kansas Prevention System

Kansas has a history of pioneering new prevention initiatives and providing national leadership since the mid-1970's. The system works together to support implementation of evidence-based strategies at a community level. The majority of prevention funding in KDADS comes from the federal government. Approximately 24% of the block grant funding is set aside for substance abuse primary prevention strategies. Primary prevention is defined as prevention activities designed to prevent substance abuse before any signs of a problem appear.

It is important to note the previous funding for juveniles through the Department of Corrections has been almost totally eliminated from a previous high of over \$8 million. Currently there is almost no funding for juvenile prevention.

The current prevention system in Kansas began anew in 2015. The Kansas Prevention Collaborative is designed to integrate behavioral health prevention efforts and allocate greater resources to local level, community-driven prevention efforts. Partners engaged in the collaborative include DCCCA (statewide training and technical assistance), Greenbush and the KU Workgroup for Community Health and Development (data collection, analysis and evaluation), Wichita State University Community Engagement Institute (information dissemination, resource development and distribution, website development and maintenance), NAMI Kansas (behavioral health education, consumer outreach and advocacy), and Keys for Networking (behavioral health education, consumer outreach and advocacy).

The purpose of the Partnerships for Success Prescription Drug Project is two-fold:

- Identify high-risk, high need communities to implement evidence-based strategies to reduce prescription drug misuse and abuse among individuals ages 12-25.
- Develop a strategic plan to address prescription drug misuse and abuse and increase awareness of the issue on a statewide basis.

5. Issues and Gaps in the system

There are gaps in the substance use disorder treatment system but they are not the focus of this committee but noted here for the record:

- All providers are currently experiencing 4% Medicaid rate cuts which significantly impacts treatment provided to the juvenile population.
- Uncompensated care when Medicaid rates do not cover actual costs.
- Federal block grant funding rates should match Medicaid rates.
- Waiting lists – all residential facilities and outpatient services have waiting lists.
- Funding for State block grants, Senate Bill 123, DUI treatment, and all other services should be protected from reduction and enhanced when state revenues are available. Investing in treatment reduced costs to many other state systems including prisons and jails, the state mental health hospitals, the child welfare system, local hospitals, public education, and other areas.

- Administrative responsibilities continue to increase and providers continually have to divert funds from treatment for increased administrative costs.
- The Kansas Client Placement Criteria (KCPC) is the State of Kansas data system used for all substance abuse and treatment data. The KCPC is used in all the initial screening and assessment system described at the beginning of this report. The data system is used throughout an individual's movement from assessment through treatment. The system is antiquated, unsupported, and is frankly almost untenable to work with and is a significant risk to the integrity of the entire substance abuse treatment system. KDADS has attempted to implement changes but they have not been successful. The KCPC system must be replaced or the system must be redesigned as providers, the State, and managed care companies should be moving together to integrate appropriate technology into the behavioral health care system.

6. Correctional Issues: Adult and Juvenile

Key Points:

- The SUD provider system has the capacity to significantly impact the Kansas Juvenile Justice Reform process given appropriate funding and planning .
- Individual, group, family and prevention service modalities are available throughout the State and could be expanded to meet the needs of the juvenile population if funded appropriately.
- The SUD network is committed to utilization of evidenced based practices across all populations, but some models recommended for juveniles require increased staffing, time, and financial resources. Communication, planning, and appropriate delegation of resources are essential.
- Mechanisms must be in place to assure that juveniles and families impacted by a SUD related legal problem are connected to appropriate service providers and followed up with after referrals are made.

Challenges and Impact of new juvenile law:

- Lack of clarity of how reform services will be funded and who is ultimately responsible for the safety of the juvenile and family.
- Law enforcement will have fewer resources in crisis situations that require immediate intervention.
- Some treatment models may be more challenging to implement in rural areas of the State
- Treatment providers may be expected to "fix" situations at the community level with inadequate resources and authority.
- There is very little structure in place around the state specifically for offenders. Other than some specific and locally arranged services, offenders access the same system as services are available.
- Other than the Senate Bill 123 program and DUI programs, the only funded programs are the Justice Reinvestment Act programs for adults to divert offenders from prison.
- The State should be committed to utilizing state licensed treatment program to provide expanded services. The provider network described in this report meets state standards and services for juveniles and funding from the State deserves those protections.

I would be happy to stand for questions at the appropriate time.

SUBSTANCE ABUSE: IMPACT OF UNMET NEED IN KANSAS

Substance Abuse Is Everybody's Problem

Recent Statistics:

- 35,622 arrests for substance use
- 16,645 adult substance abuse hospitalizations
- 3,393 alcohol-related motor vehicle accidents
- 965 alcohol and drug-related deaths
- 408 substance related involuntary commitments
- 9,131 youth in out-of-home placements
- 1,679 HIV/AIDS cases



Most Substance Abusers Do Not Receive The Services They Need

The Kansas Comprehensive Needs Assessment estimated that 63,500 adults and 7,000 adolescents needed treatment and were eligible for SRS/AAPS-funded services. In Fiscal Year 2005 Addiction and Prevention Services served 12,791 people.

Substance Abuse Is Costly

<i>Guest Check</i>		
Server	Table	Number Guests
State Budget	Kansas	225,155
<i>Health</i>		\$88 M
<i>Adult and Juvenile Corrections</i>		\$185 M
<i>Child Welfare</i>		\$56 M
<i>Income Assistance</i>		\$12 M
<i>Education</i>		\$161 M
<i>Mental Health Treatment and Support</i>		\$50 M
<i>Public Safety</i>		\$6 M
<i>State Workforce</i>		\$5 M
<i>Prevention, Treatment, and Research</i>		\$8 M
<i>Other</i>		\$12 M
Total		\$583 M

“No other single issue impacts more areas of government than alcohol and other drug problems and none is more destructive to state budgets.”

Luceille Fleming, former Director, Ohio Department of Alcohol and Drug Addiction Services, *Blueprint for the States*, 2006.

The cost to the Kansas state budget is over \$583 million per year.

Source: *Shoveling Up: The Impact of Substance Abuse On State Budgets*. The National Center on Addiction and Substance Abuse at Columbia University, 2001.

Treatment Works And It Saves Money

- Treatment reduces drug use, criminal activity, and psychiatric distress by 50% (SAMHSA, 2006).
- Every \$1 invested in substance abuse treatment saves \$7 (Ettner et al., 2006).
- Incarceration is nearly 1.8 times as expensive as residential treatment (Daley et al., 2004).

How Can We Reduce The Cost Of Substance Abuse To Society?

- Keep mandating and funding treatment
- Intervene early, treat families, and help those who are not in the treatment system
- Change “kids will be kids” culture to delay onset of drinking and drug use