



National Association of State Alcohol and Drug Abuse Directors, Inc.

May 25, 2011

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Executive Director
Robert I. L. Morrison

Ms. Summer King
SAMHSA Reports Clearance Officer
Room 8-1099
One Choke Cherry Road
Rockville, MD 20857

Dear Ms. King:

The National Association of State Alcohol and Drug Abuse Directors (NASADAD) and our component groups, National Prevention Network (NPN) and National Treatment Network (NTN), appreciate the opportunity to comment on the proposed changes to the 2012 Substance Abuse Prevention and Treatment (SAPT) Block Grant Application (76 FR 19999). The SAPT Block Grant is the cornerstone of the States' substance abuse prevention, treatment and recovery systems. It accounts for approximately 40 percent of expenditures by State substance abuse agencies across the country, and on average 64 percent of States' substance abuse prevention expenditures. The Block Grant is a vital safety net service for individuals with or at risk of a substance use disorder.

We certainly support the Substance Abuse Mental Health Services Administration's (SAMHSA) goal of improving and modernizing the SAPT Block Grant application. We have a proven track record of working in partnership with SAMHSA on data and SAPT Block Grant application matters and wish to maintain this strong partnership.

We have thoroughly reviewed and considered the proposed application. We appreciate changes to the reporting section of the document that aim to reduce the reporting burden. We are extremely concerned, however, with other proposed changes to the SAPT Block Grant application for a number of reasons:

- **State Burden:** There is a short time frame between when the final Block Grant Application will be posted (early to mid July) in the *Federal Register* and when applications are due (September 1 or October 1). In a standard year States begin filling out the SAPT Block Grant Application in June to meet the October 1 deadline. This year there are compounding issues that add to the difficulty of States to complete the application. For instance, as a result of fiscal cuts State substance abuse agencies have downsized their staff, some by as much as 50 percent, and they may also face mandatory furloughs, with an added workload from States' transitioning their health systems. These factors must be taken into account as SAMHSA seeks changes to the Block Grant application.
- **Compliance Requirements:** We understand that the majority of the changes in the proposed 2012 application are optional, but this guidance is not clearly stated in the *Federal Register Notice*. Therefore it is not clear what SAMHSA's expectations are for the proposed application, specifically what SAMHSA will deem as compliant; and if a State is not in compliance the enforcement mechanism SAMHSA will use to ensure State compliance.
- **Planning Steps:** The expanded number of populations the SAPT Block Grant is requested to address in the State plan with less money.
- **Encounter/Claims Based Approach:** The request that States develop systems to capture encounter/claims based approach, which in some States would result in a reform of their current system and structure, but does not provide additional resources.
- **Joint Planning:** The joint planning request should maintain and endorse clinical, financial, and programmatic integrity of substance use disorders.
- **Tribal Consultation:** The provision does not clearly define what constitutes consultation, particularly for States with numerous tribes.
- **Behavioral Health Councils:** The request for States to develop a behavioral health council, without recognizing States' current laws or regulations regarding substance abuse councils.

In sum, while we support certain changes and modifications to the current SAPT Block Grant application, we do not recommend the wholesale changes included in the proposed SAPT Block Grant Application.

We would like to reiterate our commitment to improving the SAPT Block Grant application as a path toward better service delivery. We also recognize SAMHSA's need to streamline elements contained in the SAPT Block Grant application. As a result, we offer the following specific recommendations:

Planning Steps: The direction of the proposed application appears to be increasingly prescriptive in what Block Grant funds may purchase instead of being more flexible. NASADAD has had a long-standing concern with any efforts to increase the prescriptiveness of the SAPT Block Grant. The proposed application requests that States address a number of populations beyond what is required by law. There are at least seven new populations that should be addressed.

These priority areas that are being proposed to be included in a State plan are not included in statute or regulations. We believe this is interpreting very broadly the Secretary's authority to make changes in the application. It also changes the intent of the SAPT Block Grant, which is to allow States flexibility to identify their own needs using State data.

Recommendation: *We recognize the request for information on how States are addressing these new populations and areas is optional. We urge that this request be clearly labeled in the application as optional. We also urge SAMHSA to indicate that the State's award will not be impacted in any way should the section not be completed. Further, if a State completes the provision, we recommend that States be given the flexibility to identify their own priority populations beyond that required in statute.*

Request that States develop systems to capture encounter/claims based approach: A number of States utilize a grant process whereby the SAPT Block Grant funds are allocated through counties or other intermediaries. In turn, they may not utilize a "unit or service" claim or encounter reporting and reimbursement approach that associates specific units of service with particular beneficiaries. For these States additional funding would be needed to restructure their systems, which is not available at this time.

Furthermore, this system is to be sufficiently rigorous to be auditable. This means that in a majority of States, administration costs are likely to balloon and certain States may be required to contract with insurance/managed care vendors. Providers are likely to experience similar increases in costs to document and "bill" for each unit of service delivered. Further cost implications are that each State will need to have done or do eligibility determination, and then cost recovery. These features could constitute a major loss of purchasing power of the Block Grant of 25 percent or more in States where reimbursement does not currently involve unit of service claims or encounter reporting.

Recommendation: *We recognize the request for information is optional. We urge that this request be clearly labeled in the application as optional. We also urge SAMHSA to indicate that the State's award will not be impacted in any way should the section not be completed.*

In addition, we acknowledge that the topic of data has been an ongoing challenge for both SAMHSA and States alike. In that spirit, we recommend that SAMHSA immediately work with State substance abuse agencies through NASADAD on issues pertaining to data collection and reporting in order to help improve our collective capabilities. It is important to note that SAMHSA would have to immediately provide technical assistance to help move certain States to meet this goal. We also recommend that the final application request States to identify barriers to moving to an encounter/claims based approach and identify their technical assistance needs.

Overall Comments on Joint Planning: We support the concepts and ideas behind coordinated planning with many sister State agencies, including mental health departments. Our support is based on the premise that SAMHSA will maintain and endorse clinical, financial and programmatic integrity of substance use disorders.

Joint planning on prevention: We understand and support SAMHSA's work to elevate issues pertaining to prevention. We also note that much work remains to better define and establish common terminology regarding substance abuse prevention and mental health promotion. To protect prevention funding, we caution SAMHSA not to broaden prevention requirements and expectations far beyond the funds available to support them.

Recommendation: *We recommend that work first move forward to establish common definitions pertaining to substance abuse prevention, mental health promotion, and other relevant and related terms. We recommend working through NASADAD on this topic.*

Joint planning on recovery services: We understand the interest in gathering additional information regarding “recovery services.”

Recommendation: *We recommend work to define “recovery services.” In particular, we recommend that SAMHSA work with NASADAD to draft a definition within the next 60 to 90 days. Recovery services for populations with substance use disorders and recovery services for those with mental illness will be identical in some cases but in others may be quite different. In addition, a revised SAPT Block Grant application could ask SSAs to identify recovery services funded by SAPT Block Grant as a starting point using common definitions/categories.*

Joint planning on integration with primary care: We recommend a more streamlined approach to this idea.

Recommendation: *We recommend that a revised SAPT block grant ask the State substance abuse director about current work with Federally Qualified Health Centers (FQHCs) and State bureaus of primary care.*

Consultation with Tribes: The proposed draft application would seem to require State substance abuse agencies to develop a tribal consultation process for each individual federally recognized tribe within the State. The term “consultation” can have many meanings. In addition, the draft application would seem to require an individual consultation process with each individual federally recognized tribe. For certain States, this would seem to require a large number of consultations. While we agree States can and when possible should consult with tribes, it is unclear in the proposed application if SAMHSA has authority to require consultation.

Recommendation: *We recognize the request for information is optional. We urge that this request be clearly labeled in the application as optional. We also urge SAMHSA to indicate that the State’s award will not be impacted in any way should the section not be completed.*

Furthermore, we recommend that SAMHSA amend the provision to ask State Substance Abuse Directors how they currently work with tribes and any technical assistance needs they may have to conduct consultation. SAMHSA would then work with NASADAD and States to provide help and share “best practices” on this issue.

State Behavioral Health Advisory Council: The draft application would require that State substance abuse agencies form or create a “behavioral health planning council.” State substance abuse agencies already employ an array of planning bodies, commissions, Governors’ advisory panels, and so on, to help plan and implement the publicly funded system. In some States a legislative and/or regulatory change would be required at the State-level to comply with the provision.

Recommendation: *We recognize the request for this provision is optional. We urge that this request be clearly labeled in the application as optional. We also urge SAMHSA to indicate that the State’s award will not be impacted in any way should the section not be completed.*

Moreover, we recommend that the provision be amended to ask State Substance Abuse Directors, “What planning mechanism does your State use to plan and implement the State substance abuse system?” The application could also ask “How does this body coordinate with the State mental health agency and its planning entity?”

Assumptions and Health Reform Implementation: SAMHSA is presenting a number of complex changes in this document involving health care reform, financing, and use of the SAPT Block Grant in different ways. We strongly support work to plan and prepare for health reform implementation. Similarly, we believe it will be very challenging to address all of these areas at once through the proposed changes to the SAPT Block Grant application. We believe it is essential that the goals and the practical instructions be very clear.

Recommendation: *As you know, all States are at very different places with coverage of substance abuse services, use of Medicaid and how the SAPT Block Grant is used to fill the gaps. There is also considerable variance in how aggressively States are preparing for health care reform; this variance is politically driven and in most cases beyond control of State substance abuse agency directors. Changes to the new application should allow for this range of differences and the goals that each State has for health care reform. We believe the application should bolster the ability of States to use resources to assist them in making the transitions that are unique to their own financing structure.*

Terminology: The document refers to the generic term “States.”

Recommendation: *We recommend specific references to the term State substance abuse agency. We also seek assistance from SAMHSA to ensure that SSAs have a strong leadership role in federal ACA dollars from sources other than SAMHSA [e.g. Health Resources and Services Administration (HRSA)] and not currently going through SSA.*

In addition to the comments and recommendations above, NASADAD is concerned about the process for the application evaluation and approval. Given the extent of the new sections, the SAPT Block Grant application should be transparent regarding what is within SAMHSA's legislative authority and the information that is required and what is optional. In addition, we strongly suggest that the final application clearly state what will constitute compliance. Thus we recommend the following:

Optional and Required Information: The application identifies numerous "topics" and new sections that are to be addressed with little guidance about what is optional versus required and "how much is enough." It may be difficult to objectively establish that an application is adequate or complete, or what needs to be changed (and how) in order to be "acceptable."

Recommendation: *Clearly identify in the final SAPT Block Grant Application what new sections are required and what sections are optional. If a State is unable to submit optional information, SAMHSA should include directions on how a State is to respond.*

Compliance Criteria: As mentioned above the proposed SAPT Block Grant application does not explain how SAMHSA will determine if a SAPT Block Grant Application is in compliance, especially given the numerous changes to the document in a relatively short time, coupled with the discretion project officers may have for approving an application. There should be criteria for distinguishing which timeframes are required and where there is flexibility for a State to complete a provision. If there is not a set of common criteria for all to follow, there may be confusion and a delay in the final approval process.

Recommendation: *A clear set of consistent criterion must be included in the final document for both State substance abuse agencies and SAMHSA project officers to use when submitting and evaluating the application.*

Thank you for this opportunity to comment on the proposed application. We look forward to working with SAMHSA as it develops the final 2012 SAPT Block Grant Application.

Sincerely,



Robert Morrison
Executive Director

Cc: Flo Stein (N.C.), NASADAD President