

# **LSC Greenbook**

**Analysis of the Enacted Budget**

## **Department of Alcohol and Drug Addiction Services**

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## **ATTACHMENT:**

Budget Spreadsheet By Line Item

# Department of Alcohol and Drug Addiction Services

- GRF funding decreases by 30.8% in FY 2010 and increases by 2.9% in FY 2011
- ODADAS to be part of the Community Behavioral Health Services Study

## OVERVIEW

### Agency Overview

The Ohio Department of Alcohol and Drug Addiction Services (ODADAS) oversees 45 community alcohol, drug addiction, and mental health services (ADAMHS) boards and five alcohol and drug addiction services (ADAS) boards. ODADAS develops, initiates, and coordinates a statewide system of services that helps prevent substance abuse and treat people with addictions. ODADAS also develops and administers a comprehensive statewide plan and distributes state and federal funds for addiction services.

ODADAS's daily operations are the responsibility of a director who is appointed by the Governor. Including the Director, in FY 2009 ODADAS had 98 employees.

### Appropriation Overview

Fund Group	FY 2009	FY 2010	% change	FY 2011	% change
General Revenue Fund	\$38,825,112	\$26,866,764	(30.8%)	\$27,653,362	2.9%
General Services	\$334,955	\$335,000	0.0%	\$335,000	0.0%
Federal Special Revenue	\$130,461,786	\$144,125,417	10.5%	\$142,170,985	(1.4%)
State Special Revenue	\$16,794,942	\$18,527,500	10.3%	\$18,527,500	0.0%
<b>Total</b>	<b>\$186,416,795</b>	<b>\$189,854,681</b>	<b>1.7%</b>	<b>\$188,686,847</b>	<b>(0.6)</b>

\*FY 2009 figures represent actual expenditures.

The table above shows ODADAS's budget by fund group for FY 2009, as well as the appropriations for FY 2010 and FY 2011. The largest increase in ODADAS's budget over the biennium is 10.5% in the Federal Special Revenue Fund Group in FY 2010. The \$13.6 million increase can mostly be attributed to the additional federal medical assistance percentage (FMAP) for Medicaid-reimbursable services. The 10.3% increase in the State Special Revenue Fund Group in FY 2010 can be attributed to a projected \$1.3 million increase in ODADAS's revenue for statewide treatment and prevention from license reinstatement fees and liquor sales and permit renewal fees.

## **Community Behavioral Health Services Study**

The directors of Mental Health, Job and Family Services, and Alcohol and Drug Addiction Services are required to convene a group to develop recommendations regarding the amount, duration, and scope of publicly funded community behavioral health services that should be available through the state's community behavioral health system. The result of the study will allow the departments to better align services to consumers and insure each consumer receives the appropriate amount, type, and length of services needed for recovery.

## **Vetoed Provisions**

### **State Subsidy Funds for Community Behavioral Health**

The Governor vetoed a provision that required local boards to use state subsidy funds for community behavioral health services to pay a provider for services under a Medicaid component the Ohio Department of Mental health (ODMH) or ODADAS administers and allowed local boards to use money raised by a county tax levy to make payments for Medicaid services if the purpose of the levy allows the board to use the money for that purpose.

### **Local Board's Comprehensive Annual Plan**

The Governor vetoed a provision that permitted, rather than required, a local board's comprehensive annual plan to certify the availability of unencumbered community mental health local funds to match Medicaid reimbursement funds earned by community mental health facilities.

## ANALYSIS OF ENACTED BUDGET

### Introduction

This section provides an analysis of the appropriations for each line item in ODADAS's budget. In this analysis, ODADAS's line items are grouped into two categories. For each category, a table is provided listing the appropriation in each year of the biennium. Following the table, a narrative describes how the appropriation is used. The two categories used in this analysis are as follows:

1. Treatment; and
2. Prevention.

It should be noted, that some of the line items in ODADAS's budget fund both prevention and treatment. Such line items are placed in the category that represents the majority of the spending in the line item, which is most often Treatment. To aid the reader in finding each line item in the analysis, Table 2 shows the category in which each line item has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget bill.

<b>Table 2. Categorization of ODADAS's Line Items for Analysis of Enacted Budget</b>			
<b>Fund</b>	<b>ALI</b>	<b>ALI Name</b>	<b>Category</b>
<b>General Revenue Fund Group</b>			
GRF	038401	Treatment Services	1: Treatment
GRF	038404	Prevention Services	2: Prevention
GRF	038626	Local Alcohol and Other Drugs Subsidy – Federal Stimulus	1: Treatment
<b>General Services Fund Group</b>			
5T90	038616	Problem Gambling Services	1: Treatment
<b>Federal Special Revenue Fund Group</b>			
3G30	038603	Drug Free Schools	2: Prevention
3G40	038614	Substance Abuse Block Grant	1: Treatment
3H80	038609	Demonstration Grants	1: Treatment
3J80	038610	Medicaid	1: Treatment
3N80	038611	Administrative Reimbursement	1: Treatment
<b>State Special Revenue Fund Group</b>			
4750	038621	Statewide Treatment and Prevention	1: Treatment
5DH0	038620	Fetal Alcohol Spectrum Disorder	2: Prevention
6890	038604	Education and Conferences	2: Prevention

## Treatment

This category of appropriations includes the state and federal funding used to provide community-based alcohol and drug addiction treatment services to clients through the local ADAMHS/ADAS boards. The table below shows the line items included in this category.

<b>Table 3. Appropriations for Treatment</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund</b>				
GRF	038401	Treatment Services	\$25,998,105	\$26,784,703
<b>General Revenue Fund Subtotal</b>			<b>\$25,998,105</b>	<b>\$26,784,703</b>
<b>General Services Fund Group</b>				
5T90	038616	Problem Gambling Services	\$335,000	\$335,000
<b>General Services Fund Group Subtotal</b>			<b>\$335,000</b>	<b>\$335,000</b>
<b>Federal Services Fund Group</b>				
3G40	038614	Substance Abuse Block Grant	\$71,500,000	\$71,500,000
3H80	038609	Demonstration Grants	\$7,093,075	\$7,093,075
3J80	038610	Medicaid	\$62,772,342	\$60,817,910
3N80	038611	Administrative Reimbursement	\$500,000	\$500,000
<b>Federal Special Revenue Fund Group Subtotal</b>			<b>\$141,865,417</b>	<b>\$139,910,985</b>
<b>State Special Revenue Fund Group</b>				
4750	038621	Statewide Treatment & Prevention	\$18,000,000	\$18,000,000
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$18,000,000</b>	<b>\$18,000,000</b>
<b>Total Funding: Treatment</b>			<b>\$186,198,522</b>	<b>\$185,030,688</b>

### Treatment Services (038401)

This GRF line item is used to distribute subsidies to the state's 50 local ADAMHS/ADAS boards to provide alcohol and drug addiction treatment services that meet locally determined needs. The local board purchases treatment services and if a person is eligible for Medicaid, the board may use these dollars to pay the nonfederal share of the cost of the treatment service. In addition to core treatment services provided by boards, ODADAS distributes grants through a competitive process. In FY 2009, grant funds supported drug courts, adolescent treatment programs, offender abstinence programs, and HIV early intervention services. The budget provides a 31.4% decrease in FY 2010 from FY 2009 expenditures and a 3.0% increase in FY 2011 from the FY 2010 appropriation.

### Problem Gambling Services (038616)

This line item is used to provide treatment to clients with an alcohol or other drug addiction and co-occurring gambling addiction or pathological gambling

addiction and to fund an annual Problem Gambling Conference. The budget appropriates \$335,000 in FY 2010 and FY 2011, which is the amount ODADAS receives from the Ohio Lottery Commission through an interagency agreement.

ODADAS plans to provide \$50,000 to the Ohio Council on Problem Gambling for counselor training and to support the counselors who work with the other grantees. The other grantees are programs in Athens, Hamilton, Mahoning, and Lucas counties that each receive \$50,000 annually and Cuyahoga County which receives \$75,000 annually, to fund a trained counselor, provide family counseling, and establish awareness of gambling problems and problem gambling services in the community. In addition, ODADAS will use \$10,000 to pay the costs of the annual statewide Problem Gambling Conference.

### **Substance Abuse Block Grant (038614)**

This federally funded line item is primarily used to distribute funds to the local boards for treatment services. Revenue that supports this line item comes from the Substance Abuse Prevention and Treatment Block Grant awarded by the Substance Abuse and Mental Health Services Administration, often referred to as SAMHSA. Federal priorities require a minimum of 20% of the funds be spent for prevention and early intervention.

In addition, Ohio must meet a state maintenance of effort (MOE) equal to the two-year average of state funding for grant-authorized activities. ODADAS uses a mix of GRF and State Special Revenue funded line items to meet MOE. ODADAS fell below the required MOE for FY 2009, but because ODADAS absorbed the reductions at the agency level without affecting services, they were granted a "material compliance" and were not penalized for FY 2010.

The budget provides less than a 1% increase in FY 2010 above FY 2009 expenditures and flat funding in FY 2011. ODADAS plans to distribute \$67.1 million to the boards to contract with local agencies to provide alcohol and drug addiction treatment services to clients in the community; the remainder will be spent by ODADAS for operations and other grant programs based on funding availability. In FY 2009, grant funds supported treatment programs for minorities, women, and youth as well as targeted community initiatives.

Dollars available for MOE total \$47.9 million in FY 2010 and \$48.7 million in FY 2011. At the appropriated level, ODADAS projects penalties of \$12 million for FY 2011 and \$4.5 million for FY 2012. ODADAS intends to apply for a waiver when it submits the application for the grant in FY 2011 and FY 2012.

### **Demonstration Grants (038609)**

This federally funded line item is used to provide treatment and prevention services statewide. Revenue that supports this line item comes from various grants

ODADAS applies for and receives each year. The budget provides a 7.2% increase in FY 2010 above FY 2009 expenditures and flat funding in FY 2011. The appropriation level includes three grants ODADAS anticipates receiving over the biennium.

### **Medicaid (038610)**

This federally funded line item is used to pass through to the boards the federal reimbursement received for Medicaid-allowable alcohol and drug addiction treatment services that were paid for by the boards. These services include ambulatory detoxification, assessment, case management, crisis intervention, group counseling, individual counseling, intensive outpatient, laboratory urinalysis, medical somatic, and methadone administration. The budget provides a 24.3% increase in FY 2010 over FY 2009 expenditures and a 3.1% decrease in FY 2011 from the FY 2010 appropriation.

A large portion of spending for community alcohol and drug addiction treatment services is eligible for reimbursement under the Medicaid Program. The federal government reimburses allowable expenditures based on a state's FMAP. The United States Department of Health and Human Services Centers for Medicare and Medicaid determines the FMAP rate annually. For federal fiscal year (FFY) 2009, Ohio's FMAP rate is 62.14%. Under the program, state and local funds are used to "drawdown" federal funds at the FMAP rate. Thus, for every \$1 spent on Medicaid-eligible services, the federal government reimburses the state approximately \$0.62. Administrative costs for running Medicaid-related programs (as compared to costs associated with direct health care services) are generally reimbursed at 50%.

The increase in this line item in FY 2010 can mostly be attributed to the impact of the additional federal Medicaid reimbursement, also known as enhanced FMAP, Ohio will receive for the period from October 1, 2008 through December 31, 2010. During this period, enhanced FMAP may vary quarterly based on Ohio's unemployment rate. The enacted budget assumes an 8.11% to 10.05% increase in the FMAP.

### **Administrative Reimbursement (038611)**

This federally funded line item is used to pay payroll, maintenance, and equipment expenditures incurred administering various federal programs and grants. Revenues are generated from a variety of federal sources that allow for reimbursement of administrative costs. The budget provides a 24.9% increase in FY 2010 above FY 2009 expenditures and flat funding in FY 2011.

### **Statewide Treatment & Prevention (038621)**

This line item is used to provide subsidies to the boards to provide treatment, prevention, education, outreach, and early intervention services. Additionally, ODADAS may award grants or provide funding for special programs or projects as



funds are available. In the past, funds in this line item supported driver intervention, youth prevention, and women's treatment programs.

Funding for this line item is generated from three sources: 1.5% of gross profits from liquor sales, \$37.50 of the \$475 driver's license reinstatement fee, and 23% of liquor permit renewal fees. The budget provides a 7.9% increase in FY 2010 above FY 2009 expenditures and flat funding in FY 2011.

## Prevention

This category of appropriations includes sources of funding that fund prevention services and programs. The table shows the line items included in this category.

<b>Table 4. Appropriations for Prevention</b>				
<b>Fund</b>		<b>ALI and Name</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund</b>				
GRF	038404	Prevention Services	\$868,659	\$868,659
<b>General Revenue Fund Subtotal</b>			<b>\$868,659</b>	<b>\$868,659</b>
<b>Federal Special Revenue Fund Group</b>				
3G30	038603	Drug Free Schools	\$2,260,000	\$2,260,000
<b>Federal Special Revenue Fund Group Subtotal</b>			<b>\$2,260,000</b>	<b>\$2,260,000</b>
<b>State Special Revenue Fund Group</b>				
5D40	038620	Fetal Alcohol Spectrum Disorder	\$327,500	\$327,500
6890	038604	Education and Conference	\$200,000	\$200,000
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$527,500</b>	<b>\$527,500</b>
<b>Total Funding: Prevention</b>			<b>\$3,656,159</b>	<b>\$3,656,159</b>

### Prevention (038404)

This GRF line item is used to distribute subsidies to the state's 50 local ADAMHS/ADAS boards to develop and provide community alcohol and other drug prevention services and programs that meet locally determined alcohol and drug addiction needs. Local boards contract with public and private nonprofit agencies to provide prevention services identified in their community plan, which is approved by ODADAS. The basic prevention services are categorized into six primary prevention strategies proposed by the Federal Center for Substance Abuse Prevention: prevention education, information dissemination, alternative activities, community-based process, environmental, and problem identification and referral. The budget provides a 4.3% decrease in FY 2010 from FY 2009 expenditures and flat funding in FY 2011.

### Drug Free Schools (038603)

This federally funded line item is used to support the Safe and Drug-Free Schools and Communities Program by establishing programs for youth drug abuse education and prevention through development, training, technical assistance, and coordination of grant activities for community-based organizations. Ohio receives Title IV funds from the U.S. Department of Education, of which 80% is provided to the Ohio Department of Education and 20% is allocated to ODADAS to support community-based prevention services. The budget provides a 12.6% increase in FY 2010 above FY 2009 expenditures and flat funding in FY 2011.

**Fetal Alcohol Spectrum Disorder (038620)**

This line item is used to promote Ohio's Fetal Alcohol Spectrum Disorder (FASD) Initiative through a multimedia campaign, for early detection and referral, and to train professionals who assist at-risk women and children affected by prenatal alcohol exposure. The budget appropriates \$327,500 in FY 2010 and FY 2011.

**Education and Conference (038604)**

This line item is used to fund educational services and conferences, the Addiction Studies Institute, the semiannual Directors' Meeting, and publication of a services directory. Revenue that supports this line item comes from registration and sponsorship fees related to substance abuse conferences and training. The budget appropriates \$200,000 in FY 2010 and FY 2011.

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**FY 2010 - 2011 Final Appropriation Amounts**

**All Fund Groups**

<i>Line Item Detail by Agency</i>			<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010 Appropriations</i>	<i>% Change FY09 - FY10</i>	<i>FY 2011 Appropriations</i>	<i>% Change FY10 - FY11</i>
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>ADA Department of Alcohol and Drug Addiction Services</b>								
GRF	038321	Operating Expenses	\$ 1,003,159	\$ 24,672	\$ 0	-100.00%	\$ 0	N/A
GRF	038401	Treatment Services	\$ 35,919,697	\$ 37,893,157	\$ 25,998,105	-31.39%	\$ 26,784,703	3.03%
GRF	038404	Prevention Services	\$ 963,294	\$ 907,283	\$ 868,659	-4.26%	\$ 868,659	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 37,886,151</b>	<b>\$ 38,825,112</b>	<b>\$ 26,866,764</b>	<b>-30.80%</b>	<b>\$ 27,653,362</b>	<b>2.93%</b>
5T90	038616	Problem Gambling Services	\$ 333,000	\$ 334,955	\$ 335,000	0.01%	\$ 335,000	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 333,000</b>	<b>\$ 334,955</b>	<b>\$ 335,000</b>	<b>0.01%</b>	<b>\$ 335,000</b>	<b>0.00%</b>
3G30	038603	Drug Free Schools	\$ 2,466,497	\$ 2,006,746	\$ 2,260,000	12.62%	\$ 2,260,000	0.00%
3G40	038614	Substance Abuse Block Grant	\$ 70,669,264	\$ 70,923,173	\$ 71,500,000	0.81%	\$ 71,500,000	0.00%
3H80	038609	Demonstration Grants	\$ 3,133,508	\$ 6,617,792	\$ 7,093,075	7.18%	\$ 7,093,075	0.00%
3J80	038610	Medicaid	\$ 44,959,155	\$ 50,513,711	\$ 62,772,342	24.27%	\$ 60,817,910	-3.11%
3N80	038611	Administrative Reimbursement	\$ 509,882	\$ 400,364	\$ 500,000	24.89%	\$ 500,000	0.00%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 121,738,307</b>	<b>\$ 130,461,786</b>	<b>\$ 144,125,417</b>	<b>10.47%</b>	<b>\$ 142,170,985</b>	<b>-1.36%</b>
4750	038621	Statewide Treatment & Prevention	\$ 17,882,208	\$ 16,689,332	\$ 18,000,000	7.85%	\$ 18,000,000	0.00%
5DH0	038620	Fetal Alcohol Spectrum Disorder	\$ 122,000	\$ 70,000	\$ 327,500	367.86%	\$ 327,500	0.00%
5DV0	038624	Criminal Justice Prevention/Treatment Collaboration	\$ 910,823	\$ 0	\$ 0	N/A	\$ 0	N/A
6890	038604	Education and Conferences	\$ 224,971	\$ 35,610	\$ 200,000	461.64%	\$ 200,000	0.00%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 19,140,003</b>	<b>\$ 16,794,942</b>	<b>\$ 18,527,500</b>	<b>10.32%</b>	<b>\$ 18,527,500</b>	<b>0.00%</b>
L087	038403	Urban Minority Alcoholism and Drug Abuse Outreach Programs	\$ 457,469	\$ 42,531	\$ 0	N/A	\$ 0	N/A
L087	038405	Juvenile Offender Aftercare Program	\$ 2,801,447	\$ 226,607	\$ 0	N/A	\$ 0	N/A
<b>Tobacco Master Settlement Agreement Fund Group Total</b>			<b>\$ 3,258,916</b>	<b>\$ 269,138</b>	<b>\$ 0</b>	<b>N/A</b>	<b>\$ 0</b>	<b>N/A</b>
<b>Department of Alcohol and Drug Addiction Services Total</b>			<b>\$ 182,356,376</b>	<b>\$ 186,685,933</b>	<b>\$ 189,854,681</b>	<b>1.70%</b>	<b>\$ 188,686,847</b>	<b>-0.62%</b>