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*Governor*

**NEW YORK STATE**  
**OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**  
40 NORTH PEARL STREET  
ALBANY, NY 12243-0001

**Robert Doar**  
*Commissioner*

## **Local Commissioners Memorandum**

### **Section 1**

<b>Transmittal:</b>	05-LCM-11
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Division of Employment and Transitional Supports
<b>Date:</b>	September 13, 2005
<b>Subject:</b>	Availability of \$1.5 Million via Competitive Applications for Case Management Services for Safety Net Recipients in Drug and/or Alcohol Outpatient or Residential Treatment
<b>Contact Person(s):</b>	Mark Madden at 1-800-343-8859, extension 3-8870
<b>Attachments:</b>	None
<b>Attachment Available On – Line:</b>	

### **Section 2**

#### **I. Purpose**

The purpose of this release is to advise local district social services (LDSS) offices of the availability of \$1.5 million of State funding for case management services to Safety Net recipients in outpatient and/or residential drug and alcohol treatment facilities. Such services shall be structured to achieve reduced stays on temporary assistance, increased employment and reduced temporary assistance and related expenses.

#### **II. Background**

Dramatic reductions in public assistance caseloads have been achieved since the implementation of the NYS Welfare Reform Act of 1997. However, a higher percentage of cases that remain on assistance, and in particular Safety Net Assistance, have barriers to self-sufficiency, including drug and alcohol related barriers. The 2005-06 State Budget provides \$1.5 million to fund a limited number of LDSS projects aimed at reducing temporary assistance expenditures for Safety Net clients in outpatient and/or Congregate Care Level II treatment facilities.

These funds will be awarded to districts on a highly competitive basis. Local districts submitting a proposal for this funding have the responsibility for developing case management services provided by local district staff, or through the provision of such services through a contract agency. If a local district chooses to use district staff, they cannot supplant existing local funding and the case management services must be new, additional services provided with this funding.

It should be noted that, in conjunction with this initiative, beginning in SFY 2005-06, the Office of Alcoholism and Substance Abuse Services (OASAS) will also be awarding up to \$6.6 million in State and Federal funds to local departments of mental hygiene for the operation of county level Managed Addiction Treatment Services (MATS) programs. MATS programs will be responsible for the provision of case management services, targeted at chronic chemical dependence clients that are high Medicaid cost recipients of detoxification, inpatient rehabilitation, methadone and other health care services. The purpose of the OASAS initiative is to assure client access to needed and appropriate treatment services and positive treatment outcomes that drive a reduction in inappropriate Medicaid expenditures. Therefore, we envision that the combination of the OTDA and OASAS initiatives will afford local districts with case management capabilities to address the highest cost participants in the full continuum of the chemical dependence treatment system. Local districts that have written cooperative agreements with local mental hygiene departments under the OASAS MATS program must ensure that services are appropriately coordinated to avoid overlap and duplication.

### **III. Program Implications**

In preparation for submitting a proposal, we recommend districts should, to the extent possible, inventory all existing or proposed case management services models designed to serve Safety Net recipients in outpatient and/or residential treatment.

Program models must focus on Safety Net recipients with a history of, or predictors for, chronic, costly Drug/Alcohol treatment who are currently participating in drug and/or alcohol treatment. These funds are to purchase case management services as the core service component for this extremely hard-to-serve population. Districts must develop their proposal in consultation with, and provide a letter of support from the County Mental Health Director.

Note: If a local district contracts with another county agency to serve this population in whole or in part, e.g. Mental Health, local districts are reminded that a cooperative agreement must be in place and must follow the guidelines in the Fiscal Reference Manual Volume 3, Chapter 5.

Proposals must clearly justify the need for these case management services and how its delivery will be unique for this exceptionally difficult, addicted and economically dependent population. Each project must include the name and phone number of the project coordinator whom we may contact if any questions arise in the review process and the individual who will be the contact person during the period of program operation.

These funds are not to be used for purchase of Medicaid reimbursable services. Districts should, however, assess what Medicaid services are available in their locality as part of their overall planning process. In all instances, districts must ensure that appropriate mechanisms are in place to prevent duplicate billing to Medicaid and Safety Net for services provided to these individuals.

**Please note that this \$1.5 million will be a new allocation for the State Fiscal Year 2005-06 and apart from existing allocations. Further, this funding can only be used to serve open Safety Net cases and is without local financial participation. Funding beyond this initial program year is subject to annual appropriation by the State Legislature.**

Total funding for this initiative is \$1.5 million. Since these limited funds are available on a competitive basis, we are establishing minimum and maximum award amounts. For NYC, the award minimum is \$500,000, with a \$750,000 maximum. For Erie, Monroe, Nassau, Onondaga, Suffolk and Westchester, the minimum is \$100,000 with a \$250,000 maximum. All other districts will have a minimum of \$25,000, with a \$100,000 maximum.

All proposals which are submitted timely and have been developed in consultation with, and provide a letter of support from the county Mental Health, Director will be evaluated for funding. The reviewers will focus on each district's justification for this additional funding, including the status of the district's Safety Net Drug/Alcohol allocations and claims.

Proposals will be reviewed and rated on the following factors: proposal meets the prescribed purpose; the case management services delivery model is realistic for this targeted Safety Net population, the project can be replicated by other districts; the data and outcome measures support the program goals; and the project can be successfully implemented on or about January 1, 2006.

Districts must submit their proposals by October 31, 2005.

OTDA will announce awards on or about December 1, 2005.

Claiming Instructions for Safety Net Competitive Projects

Those local districts that have a project approved for funding under this initiative will report their expenditures via TRACS using the project label "*Case Mgmt SN D & A*". Costs are to be accumulated in the F-17 Function of the Schedule D and then transferred to the Schedule D-17. Refer to the Fiscal Reference Manual Volume 3 or 4 (for NYC) for detailed instructions.

100% State reimbursement is available up to the limit approved budget.

Since it is anticipated that the new programs will run from January 1, 2006 to December 31, 2006, the final claims will be due to OTDA by March 31, 2007.

Proposals should be submitted by October 31, 2005 to:

*Russell Sykes*  
*Deputy Commissioner*  
*Division of Employment and Transitional Supports*  
*40 North Pearl Street, 11-C*  
*Albany, New York 12243*

**Issued By:** \_\_\_\_\_  
**Name:** Russell Sykes  
**Title:** Deputy Commissioner  
**Division/Office:** Division of Employment and Transitional Supports