Pay for Performance Pilot with Drug Court Providers in New Jersey

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On September 21, 2007 a CSAT Technical Assistance provider presented “Connecting Payment to Outcome” to DMHAS’ Professional Advisory Committee (PAC) meeting on linking achievement on NIATx Aims to payment.

NIATx promotes systems change and innovation with a focus on four aims:
- Reduce waiting time between first request for service and first treatment session
- Reduce no-shows by reducing the number of patients who do not keep an appointment
- Increase admissions to treatment
- Increase continuation from the first through the fourth treatment session
NIATx at DMHAS

- DMHAS engaged NIATx in 2009 to deliver the learning collaborative model to selected contracted substance abuse treatment agencies.
- Ten participating agencies were identified through a competitive application process enrolled in the NIATx Quality Improvement Capacity Building Program.
- The NIATx Quality Improvement Capacity Building Program will develop a core group of agencies to provide leadership and mentoring for other treatment agencies that wish to improve performance and attain meaningful, client-centered treatment outcomes.
- Residential treatment providers contracted to provide treatment services to Drug Court participants are required to participate in NIATx in order to improve their attainment of performance targets.
Drug Court Background

Drug Courts began in New Jersey in 1996 with Camden and Essex Superior Courts.

On September 6, 2001, Legislation L.2001, c.243 was signed by the Governor, which provided the Judiciary with funding to expand Drug Courts beyond the initial five courts and in 2004 Drug Court went statewide.

On August 1, 2008 statutory amendments were made to N.J.S. 2C:35-14 which allowed for expanded legal eligibility to include individuals with 2 or more non-violent prior arrests and for treatment to be clinically-driven v. statute-driven.

Total state appropriations for the treatment services in Drug Court are approximately $29,085,769.
Drug Court RFP

- New Jersey’s Governors Efficiency and Reform (GEAR) provided DMHAS the opportunity to issue an RFP for the Drug Court contracted beds.

- Data gathered revealed lots of early drop outs.

- Drug Court was considered by some clients “harder” than prison and mandatory 6 months of residential treatment sometimes was more “time” than clients were sentenced.

- RFP issued for approximately $4,821,894 in slotted long-term residential treatment services and $525,687 in slotted halfway house treatment services with the remaining balance being available for treatment services, including IOP, through the Drug Court Fee-For-Service (FFS) network.

- Award for approximately 198 long-term residential beds for men and women at the annual rate of $24,353.00 per bed included a pay for performance component.

- Moved remaining dollar amounts to FFS which is another type of pay for performance in that no-show rates decrease and retention and reimbursement increases.
Technical Assistance from the Treatment Research Institute

- Structuring the incentive:
  - Keep it simple.
  - Be careful what you pay for - you might just get it.
  - No losers (if possible).
  - Make the incentive payment as quickly as possible.
  - Determine minimal number of new admissions per year to avoid creaming.
DMHAS Incentive Program

- The incentive program is designed to increase and improve engagement and retention in residential care and transition to continuing care.
- The incentive is designed to reduce the number of Drug Court clients returning to jail due to lack of compliance with treatment requirements during the initial period of engagement.
- A dedicated pool of funds was set aside for the incentive payments.
- No direct contract dollars will be utilized.
- Incentive pool contains enough funds for each provider to realize the maximum incentive allowable.
- A maximum incentive of $24,000 is allowed per agency annually.
Incentive Strategies

- Incentive is only available for Drug Court’s Long-Term Residential treatment services. To qualify for the incentive, the participating site must have a minimum of 20 admissions per year.
- Incentives are calculated based on agency’s performance with Drug Court clients funded through this contract only.
- Agencies that meet set goals for client engagement, retention, and transition to step-down care have access to incentive payments.
- TA to enable agencies to make process and programmatic changes necessary to increase engagement and retention and earn the incentive was made available by DMHAS through provider participation in the NIATx process improvement project.
- Engagement and retention are measured by length of stay in treatment.
Allowable Use of Incentive Dollars

- Establish and maintain an emergency expenditure account to address emergent life safety issues.
- Equitable, agency-wide incentive compensation to employees based on cost reduction, efficient performance, suggestion awards, safety awards etc.
  - Agency must have a written agreement with an employee that clearly illustrates performance benchmarks required to receive such incentive prior to the awarding of any additional compensation.
  - No more than 5% of total annual salary.
- Infrastructure upgrades and replacements.
Survival Analysis

- Incentive targets were established through statistical analysis of current system-wide performance.
- The analytic technique used to determine key retention points was survival analysis.
- Survival analysis involves the modeling of time to event data.
- For our purposes, the “event” was considered discharge or drop out from treatment.
- The point of survival analysis is to follow subjects over time and observe at which point they experience the event of interest.
- Survival analysis attempts to answer what proportion of a population will survive past a certain time, or in our case, remain in treatment.
Survival Analysis

- Divided the LTR Drug Court clients into two groups: completed treatment vs. did not complete or dropped out of treatment.
- Records were matched to NJ-SAMS administrative data to determine who did and did not complete treatment; matches were found for 523 clients.
- Survival analysis was then conducted for the two groups: clients who completed treatment and clients who did not complete treatment.
- Results are shown in the next slide.
Survival distribution function for LTR clients

Tx Complete vs. Non-Complete

Stay in Tx rate

Our goal

N=523
Drug Court & NJSAMS data
2/1/2006 - 10/31/2008

Tx complete clients

Tx Non-complete clients

Length of stay day

Survival distribution function for LTR clients
Tx Complete vs. Non-Complete

0.00 0.25 0.50 0.75 1.00

N=523
Drug Court & NJSAMS data
2/1/2006 - 10/31/2008

Our goal

Tx complete clients

Tx Non-complete clients

Length of stay day

Survival distribution function for LTR clients
Tx Complete vs. Non-Complete
Explanation

- Significantly different rates were found between Tx complete and non-complete clients.
- More than 25% of Tx non-complete clients drop out before 21 days.
- Lower drop out probability at early stage for Tx completers.
- 50% of Tx non-complete clients drop out before 45 days.
- More than 75% of treatment non-completers drop out before 91 days.
- It is critical to keep clients in treatment at an early stage.
Setting Targets

- We then examined the data from five Drug Court programs to determine what were the actual percentages of clients who remained in treatment at least 21, 45 and 91 days.

- Based on this information, i.e., what these agencies were actually achieving, we set higher retention targets of 95%, 90% and 80% for those three intervals, respectively.
Incentive Targets

The following incentive targets were set:

- No. 1 – If 95% of eligible new admissions are in treatment on day 21, agency will receive $1000.
- No. 2 - Of those who have met incentive criteria #1, if 90% are in treatment on day 45, agency will receive $500.
- No. 3 – Of those who have met incentive criteria #2, if 80% are in treatment on day 91, agency will receive $500.

- Incentive decreases over time so as not to promote a long length of stay.
Incentive Safeguards

- A % utilization requirement instituted to ensure contract beds are not left vacant.
- Agency must have 95% bed utilization in order to qualify for the incentive each month.
- % utilization computed by dividing the actual number of client days by the number of total possible days for contract beds per month.
- This requirement was waived for the first quarter in order to allow agencies to ramp up.
Additional Rules

- Only count admissions directly to a contract bed, not FFS, for the incentive program.
- If a client has a gap longer than 4 days, he/she is considered a new admission.
Incentive Reporting

- ACCESS program developed to calculate incentive attainment.
- Management reports programmed to monitor incentive attainment.
- Reports include:
  - Incentive Program Summary
  - Detail by Provider by Client
  - Client Detail by Provider
# Incentive Program Summary Report

**SFY: 10/1/09 to 12/31/09**

## 2nd QTR

<table>
<thead>
<tr>
<th>XYZ Treatment Agency</th>
<th>Contracted Beds: 20</th>
<th>Utilization</th>
<th>Incentive Amount</th>
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<tr>
<td></td>
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<td>Total Bed Days</td>
<td>Client Bed Days</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Mo</th>
<th>Yr</th>
<th># clients admitted</th>
<th>21 Days N %</th>
<th>45 Days N %</th>
<th>91 Days N %</th>
<th>21 Days N</th>
<th>45 Days N</th>
<th>91 Days N</th>
<th>90% 21 Days</th>
<th>90% 45 Days</th>
<th>80% 91 Days</th>
<th>Total Bed Days</th>
<th>Client Bed Days</th>
<th>%</th>
<th>Incentive Amount</th>
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<tr>
<td>Oct 09</td>
<td>6</td>
<td>5 83</td>
<td>5 100</td>
<td>4 80</td>
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<td>595</td>
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<td>$1000</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov 09</td>
<td>8</td>
<td>7 87</td>
<td>6 86</td>
<td>6 100</td>
<td>600</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec 09</td>
<td>12</td>
<td>12 100</td>
<td>0 0</td>
<td>0 0</td>
<td>620</td>
<td>500</td>
<td>81</td>
<td>$1,000*</td>
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</tbody>
</table>

**Total incentive to be paid: $1,500**

95% of clients stay for 21 days or more: $1,000 Incentive
90% of clients who stayed 21 days, stay 45 days or more: $500 Incentive
80% of clients who stayed 45 days, stay 91 days or more: $500 Incentive

* Incentive not paid, utilization was not 95% or greater
What Happened?
Survival distribution function for LTR clients before incentive vs. after incentive.
Impact of the Incentive Program

Data were analyzed for all clients participating in the incentive program from July 1, 2009 to December 31, 2010.

Graph indicates that retention rates have increased with the incentive program as follows:

- 21 days – 98%
- 45 days – 94%
- 91 days – 85%

In particular, 85% of the clients were still in treatment at 91 days, compared to approximately 60% for those completing treatment prior to the incentive.
Impact of the Incentive Program

- However, we had envisioned a shorter length of stay once the incentive stopped at 91 days.
- This did not occur.
- We didn’t really focus on this as one of our outcomes to target with an incentive.
First set of incentive reports (7/1/09-9/30/09) were produced.

Meeting was held with LTR Drug Court Incentive Program providers in April 2010 to provide overview and incentive reports.

All six agencies received some incentive for the first quarter, which ranged from $1000 to $5000.

However, there was a first quarter utilization requirement waiver to allow for start up.

Second quarter incentive payments were made.

The second quarter required 95% bed utilization.
Chronology Since 7/1/09

- Remaining FY 2010 third and fourth quarter payments were made.
- FY 2011 first and second quarter incentive payments are being verified.
- Quarterly incentives can’t be processed until at least 91 days elapse since the prior quarter’s end.
What Agencies Are Doing With the Incentive

- Staff bonuses
- Facility repairs/improvements
- Operational expenses
Other Findings

- The Table below shows there was a steep decline in incentives from Qtr 1 to Qtr 4 in FY 10.
- However, there has been an increase starting with Qtr 1 in FY 11.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Timeframe</th>
<th>Incentive Paid</th>
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<tbody>
<tr>
<td>1-FY 10</td>
<td>7/09 - 9/09</td>
<td>$22,500</td>
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<tr>
<td>2-FY 10</td>
<td>10/09-12/09</td>
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<tr>
<td>3-FY 10</td>
<td>1/10-3/10</td>
<td>$10,500</td>
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<td>4-FY 10</td>
<td>4/10-6/10</td>
<td>$2,000</td>
</tr>
<tr>
<td>1-FY 11</td>
<td>7/10-9/10</td>
<td>$9,500</td>
</tr>
<tr>
<td>2-FY 11</td>
<td>10/10-12/10</td>
<td>$9,000</td>
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</table>
Other Findings

Number of Times a Target was Achieved in a Quarter Across Six Agencies

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Timeframe</th>
<th>21 Days 95%</th>
<th>45 Days 90%</th>
<th>91 Days 80%</th>
<th>Utilization 95%</th>
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</thead>
<tbody>
<tr>
<td>1-FY 10</td>
<td>7/09 - 9/09</td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>2-FY 10</td>
<td>10/09-12/09</td>
<td>10</td>
<td>9</td>
<td>8</td>
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<td>3-FY 10</td>
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<td>8</td>
<td>12</td>
<td>7</td>
<td>10</td>
</tr>
</tbody>
</table>

Note: The max no. times a target could be achieved in a quarter is 18.

- Agencies have difficulty attaining 95% utilization.
- The 91 day target is the most difficult retention target to attain.
What Prevents Incentive Attainment?

- Failure to meet the utilization target.
- Declining admissions make it harder to reach both retention and utilization targets.
Other Findings

- The Table below shows SA admissions are starting to decline with FY 2011.
- This reflects the decline in overall admissions to Drug Court.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Timeframe</th>
<th>Admissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-FY 10</td>
<td>7/09 - 9/09</td>
<td>68</td>
</tr>
<tr>
<td>2-FY 10</td>
<td>10/09-12/09</td>
<td>99</td>
</tr>
<tr>
<td>3-FY 10</td>
<td>1/10-3/10</td>
<td>101</td>
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<td>4-FY 10</td>
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<tr>
<td>1-FY 11</td>
<td>7/10-9/10</td>
<td>105</td>
</tr>
<tr>
<td>2-FY 11</td>
<td>10/10-12/10</td>
<td>121</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>689</td>
</tr>
</tbody>
</table>
System Impacts on Drug Court Admissions

- The School Zone Law has been amended which has eliminated the requirement for a mandatory minimum jail term.

- Prior to this amendment, the choice was either jail or drug court (for non-violent offenders).

- Because the mandatory jail sentence has been eliminated, the “coercion” factor is gone. Only those who really want substance abuse treatment or know they need it, are entering Drug Court.

- A multi-pronged effort is underway to increase Drug Court admissions.
Efforts to Increase Drug Court Admissions

- Setting vicinage targets
- New screening procedures for parolees
- Adding co-occurring services
- Re-examining polices on medication assisted treatment
- Adding new recovery support services
Next Steps

- Drug Court is actively convening workgroups to address the issue of increasing admissions to the program.
- Conduct an analyses to determine if FFS is as effective as an incentive program in generating better retention.
- Implement the Pay for Performance Model in a FFS structure within a Managed Behavioral Health Organization (MBHO).
For More Information

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Questions????