



**PARTNERS**  
for recovery

# Financing Recovery Support Services

Review and Analysis of  
Funding Recovery  
Support Services and  
Policy Recommendations





# **FINANCING RECOVERY SUPPORT SERVICES: REVIEW AND ANALYSIS OF FUNDING RECOVERY SUPPORT SERVICES AND POLICY RECOMMENDATIONS**

**March 2010**



This report was prepared by Legal Action Center and Abt Associates under the auspices of the Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Substance Abuse Treatment (CSAT) for the Partners for Recovery (PFR) Initiative under Subcontract No. 22774, CSAT Prime Contract No. HHSS283200700008I, Task Order No. HHSS28300002T.

## **ACKNOWLEDGMENTS**

This report was prepared by Abt Associates Incorporated for the Partners for Recovery (PFR) Initiative. The primary author of this publication is Dan Belnap of the Legal Action Center (LAC). Gabrielle de la Gueronniere (LAC) is the secondary author. Paul Samuels and Renee Martinez (LAC) provided input on the paper. Kim Beniquez of Abt Associates Inc. provided additional content. Kathleen Nardini and Melanie Whitter directed the report's completion. Shannon B. Taitt, M.P.A., served as the Government Project Officer.

Special thanks are due to the officials associated with the State programs profiled in this report who answered specific questions, including Vicki Staples, from the Center for Applied Behavioral Health Policy at Arizona State University; William Harms, from Transitions, TLC, in Wyoming; Joe Powell, from the Association of Persons Affected by Addiction (APAA) in Texas; Pat Taylor, Executive Director of Faces and Voices of Recovery; Wayne Trudeau, from the Department of Mental Health and Addiction Services in Connecticut; and Therese Hutchinson from the Department of Human Services in Oregon.

## **DISCLAIMER**

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## EXECUTIVE SUMMARY

For many individuals with substance use conditions and their families, the provision of recovery support services (RSS) is critical to achieving a greater quality of life. Yet, RSS are often insufficiently funded throughout the prevention, treatment, and recovery continuum of care largely due to funding constraints and a lack of information about alternative funding options. RSS are wide-ranging and should be provided based on the needs of individuals and their families. RSS are nonclinical services that assist individuals and families working toward recovery from substance use conditions. They include social supports and services such as child care, employment services, housing, peer coaching, and drug-free social activities.

This report provides information about the funding sources that support RSS throughout the continuum of care. Existing literature, policies, statutes, and regulations were reviewed to identify funding streams for RSS. Medicaid, the Substance Abuse Prevention and Treatment (SAPT) Block Grant, the Access to Recovery (ATR) grant program, the Recovery Community Services Program (RCSP), State and local funding, and other funding streams were reviewed and analyzed. The report describes each funding stream in detail and highlights how the funding source supports the provision of RSS. The RSS covered under the various funding streams are summarized in Table 1.

Each funding source varies in terms of the degree of flexibility recipients have to provide RSS. Funding sources can typically be divided into two categories, those that specify permitted expenditures and those that specify restrictions in spending. Funding sources also specify different eligibility criteria, funding mechanisms, and service requirements. Many funding sources establish eligibility criteria that are limited to specific populations or a geographic area. Other funding sources prescribe a particular funding mechanism, for example, the use of vouchers. Certain funding sources may specify who should provide RSS. For example, peers may be identified as individuals who should deliver RSS. A detailed description of funding sources is provided in Table 1.

The information in this report was collected using an inquiry sent to State addiction provider associations and gathered from State agency staff and Web sites. This report highlights 18 State examples of how RSS are funded in unique and innovative ways. The State examples are designed to inspire and promote creative ways to use funding sources to meet the needs of the individuals, families, and communities seeking RSS. These examples are summarized in Table 2 in terms of eligibility, terms of coverage, service locations, and RSS covered for each funding stream and State. The responses indicated there is wide variation and utilization of potential funding streams for RSS.

As is revealed in this report, States have found effective ways to fund and provide RSS as a component of their continuum of care. In reviewing the State approaches, many similar program elements exist. For example, of the States highlighted in this report, most offered RSS to



individuals for the duration of need, regardless of funding source. In most instances, there was not a predetermined length of service provision. The types of services listed were very similar and ranged from assistance with grocery shopping to assistance with finding and maintaining employment, but not every service was offered in every State.

Despite the similarity of many program elements, there was much variability with respect to limitations of these services. Although funding sources often allow the provision of a comprehensive range of services, eligibility was frequently restricted to specific populations. States also limited the service locations to specific providers or specific geographic regions such as cities or counties. Eligibility criteria for RSS were frequently established based on funding availability.

Finally, the information gathered was used to develop recommendations to enhance the provision of RSS throughout the continuum of care. These recommendations are presented in the final section, Report Findings and Policy Recommendations, and are summarized below.

- **Educate States, treatment providers, and service providers about funding sources currently available to fund RSS.** There is no guidance document to describe the major funding sources and the associated provisions for funding RSS. Many States are aware of and utilize some of these funding sources, but additional education about the full range of funding sources is needed.
- **Make necessary statutory and regulatory changes to allow States greater authority and flexibility to provide RSS.** States should amend legislation of State alcohol and drug agencies to provide them more latitude to define and fund RSS.
- **Increase funding for RSS throughout the continuum of care.** Although there are a number of current funding streams for RSS, there is also competition for scarce resources. There are several opportunities on which to capitalize to increase funding for RSS across the continuum. States and providers can provide research to policymakers and lawmakers to quantify the effectiveness associated with RSS to demonstrate need for additional funding. Lastly, private sources and foundations can be educated about the effectiveness of RSS to encourage funding.



# INTRODUCTION

Recovery support services (RSS) are nonclinical services that assist individuals and families working toward recovery from substance use conditions. RSS incorporate a full range of social, legal, and other services that facilitate recovery and wellness to reduce or eliminate environmental or personal barriers to recovery. These RSS include social supports, linkage to and coordination among allied service providers, and other services that have been shown to improve quality of life for people in and seeking recovery and their families. RSS may be provided before, during, or after formal clinical treatment or may be provided to individuals who are not in treatment but need and seek support services. RSS are provided by professionals and peers and are delivered through a variety of community and faith-based groups, treatment providers, and RSS providers.<sup>1</sup>

RSS are wide-ranging and are provided based on a person's individualized recovery plan. Some examples of RSS include child care, employment services and job training, housing support, peer coaching or mentoring, and alcohol- and drug-free social and recreational activities.

This report provides an overview and analysis of Federal, State, and private funding streams currently used to fund RSS, and it identifies RSS offered through various funding streams. Several States are highlighted to demonstrate their innovative practices for using the funding streams to cover RSS. The report also makes recommendations on how laws and regulations can be changed to allow States greater authority, flexibility, and resources to provide RSS throughout the continuum of care to individuals and families.

Laws, regulations, and policies were reviewed along with results from e-mail inquiries and telephone interviews with State officials and community providers. As part of the initial fact-finding process, an inquiry was distributed through e-mail to prevention and treatment provider associations in 42 States. Respondents were asked about unique and innovative RSS policies and programs in their State, including funding mechanisms. In total, 22 of the States responded to the inquiry, providing useful information in the initial fact-finding stages. Inquiry responses indicated there was wide variation in utilization of potential funding streams for RSS. Follow-up interviews were conducted to seek more detailed information about how States fund RSS and which services were covered. Among respondents, all States except one answered that at least one funding source covers RSS in their State. Maine, Massachusetts, and Vermont responded that RSS in their States are funded by State appropriations only and not by Federal programs. California, Connecticut, Montana, and Rhode Island each responded that they use all or almost all of the funding sources discussed in this report to fund RSS. Additionally, Federal and State Web sites were reviewed to capture and summarize more information on funding streams used to fund RSS and the services that are covered.

It is hoped that this report will serve as a valuable resource to those who deliver and seek funding for RSS and to policymakers, so that they can become more informed about available funding streams and how they can be used for RSS.

## FUNDING STREAMS FOR RECOVERY SUPPORT SERVICES

A review and analysis of a number of funding streams available to support recovery support services (RSS) is presented in this section. The funding streams include Medicaid, the Substance Abuse Prevention and Treatment (SAPT) Block Grant, the Access to Recovery (ATR) program, the Recovery Community Services Program (RCSP), State and local funding, and other funding streams such as Temporary Assistance for Needy Families (TANF), drug courts, and private funding.

### Funding Recovery Support Services Through Medicaid

The Medicaid program operates as a partnership between Federal and State governments to provide health coverage to certain low-income individuals and families. Each State operates its own Medicaid program, with unique eligibility guidelines and benefits packages approved by the Federal government. While treatment for substance use conditions is not a mandatory benefit under Medicaid, the majority of States have amended their Medicaid State plans to cover some treatment for substance use conditions, and a few have successfully used Medicaid to cover RSS.

To be eligible for Medicaid coverage, an individual must meet specific income and category requirements; eligible groups include children and adolescents, pregnant women, parents and caretaker relatives, aged, blind, and disabled. Within broad limits set by Federal law and regulations, each State administers and determines the scope of its Medicaid program. Within these Federal guidelines, States have the flexibility to determine

- who is eligible for Medicaid,
- what benefits are covered,
- how much to pay providers for services,
- how services will be delivered, and
- the amount, duration, and scope of services provided.

States use family income and family assets (often referred to as “resources”) to determine eligibility for Medicaid. States have considerable flexibility to establish both income and resource limits. States also have considerable flexibility in establishing the methodology they will use to count income and resources.<sup>2</sup>

Treatment for substance use conditions and RSS are considered optional services under Medicaid. Therefore, coverage for treatment and services varies widely from State to State, and a number of States do not cover treatment beyond the required medical-related services.<sup>3</sup> Each State documents the design and operation of the Medicaid program in its State plan. If a State wishes to change any of those options, it must amend its State plan and obtain approval from the

Centers for Medicare and Medicaid Services (CMS), the Federal agency that oversees the Medicaid program.

States may also request waivers of certain provisions of Medicaid law to implement policies that are otherwise not allowable under standard Federal guidelines. Waivers must be approved by the Secretary of Health and Human Services. The majority of States use their State plan and/or waivers to cover treatment, and a few successfully use Medicaid to cover RSS, including Alaska, Arizona, California, Connecticut, Florida, Iowa, Kansas, Montana, New Mexico, Pennsylvania, and Rhode Island.

To be eligible for Federal reimbursement for RSS, States must identify the Medicaid authority to be used for coverage and payment and must describe the service, the provider of the service, and their qualifications in full detail. States must also describe utilization review and reimbursement methodologies.<sup>4</sup>

To date, States have leveraged Medicaid funding for peer and recovery support services using the following current authorities allowed by Federal Medicaid regulations under the Social Security Act Title XIX:

- Section 1905(a)(13), the rehabilitation services option (rehab option)
- Section 1915(b), managed care/freedom of choice waivers
- Section 1915(i), Deficit Reduction Act Authority

#### Funding Recovery Support Services Through the Rehabilitation Services Option (Rehab Option)

Under the Medicaid rehabilitation services option (rehab option), States can cover “other diagnostic, screening, preventative, and rehabilitative services, including any medical or remedial services (provided in a facility, a home, or other setting) recommended by a physician or other licensed practitioner of the healing arts within the scope of their practice under State law, for the maximum reduction of physical or mental disability and restoration of an individual to the best possible functional level.”<sup>5</sup> To receive reimbursement for RSS under the Medicaid rehab option, States first need to demonstrate that these services meet the above requirements in Federal regulation.

Forty-seven States plus the District of Columbia provide a type of mental health, substance use, and/or physical health service under the rehab option.<sup>6</sup> The majority of services covered under the rehab option are treatment services for mental health and substance use conditions.<sup>7</sup> Most RSS currently funded through Medicaid are reimbursed through the rehab option.

There are several advantages to using the rehab option rather than other methods allowable under Medicaid to cover RSS. These advantages include increased flexibility in which programs and

providers could be covered and a potentially less burdensome process for obtaining reimbursement. For example:

- These services can be provided in a variety of locations in the community, including the person's home or other living arrangement if allowed under the State plan.
- These services can be furnished by a wider range of professionals, including qualified community paraprofessional workers and peer specialists. This is in contrast to other Medicaid services that require licensed practitioners or practitioners with other specific credentials to provide a service.<sup>8</sup>
- These services can be provided through State plan amendments, avoiding the more complicated waiver process and "cost-neutrality" requirements.

States also face some challenges in using the rehab option. There may be a lack of clarity regarding allowable services, and in some instances the Federal government has disallowed Medicaid reimbursement for recreational and social programs that were not focused on rehabilitation. In these instances, States were required to pay back significant amounts of Federal matching funds.<sup>9</sup>

There are restrictions on what services are allowable for Federal financial participation under the rehab option, as these services are covered under separate Medicaid-funded programs.

- The rehab option will not cover room and board. However, support services in residential programs are covered in some States.
- Education is excluded from Medicaid reimbursement.
- Vocational services are not reimbursable, including specific programs that provide training or education regarding a trade.
- The rehab option will not cover transportation.

However, some States have been able to provide assistance to individuals to obtain employment through skill-building or community support activities.<sup>10</sup>

### Funding Recovery Support Services Through Medicaid Section 1915(b) Managed Care/Freedom of Choice Waivers

Medicaid section 1915(b) or "freedom of choice" waiver allows States to implement managed care systems for Medicaid beneficiaries. These waivers are used by States to operate programs that affect the delivery system for some or all of the individuals eligible for Medicaid in a State by

- mandatorily enrolling beneficiaries into managed care programs (although States do have the option through the Balanced Budget Act of 1997 to enroll certain beneficiaries into mandatory managed care via a State plan amendment) and

- creating a “carveout” delivery system for specialty care, which is common for behavioral health care.

To implement managed care programs, the Secretary of Health and Human Services may waive the Medicaid requirements of statewideness, comparability of services, and freedom of choice of provider, at a State’s request, under section 1915(b) of Title XIX of the Social Security Act.

There are four types of authorities under section 1915(b) that States may request:

- Under 1915(b)(1) States can mandate Medicaid enrollment into managed care.
- Under 1915(b)(2) States can utilize a “central broker.”
- Under 1915(b)(3) States can use cost savings to provide additional services, including the option to use savings achieved by using managed care to provide additional services to Medicaid beneficiaries not typically provided under the State plan.
- Under 1915(b)(4) States can place limits on the number of providers for services.<sup>11</sup>

Although most States have used a section 1915(b) waiver for medical and primary care and traditional behavioral health care services, some have used managed care to provide RSS. There are no specific instructions on what RSS can be included. Section 1915(b) waivers cannot negatively impact beneficiary access or quality of care, and RSS provided under waiver must not cost more than what the Medicaid program would have cost without the waiver. Since these are the only limitations listed, States have some flexibility in designing and creating a system of care offering RSS.

#### Funding Recovery Support Services Through Medicaid Section 1915(i) Deficit Reduction Act Authority

In addition to the methods available to States to cover RSS described above, States also have new authority under the Federal Deficit Reduction Act of 2005 (DRA) to provide RSS to certain individuals. The DRA, signed into law on February 8, 2006, allows States greater flexibility to furnish community-based services, including RSS, through Medicaid. Section 6086 of the DRA amends the Social Security Act by creating a new subsection—1915(i)—to give States the ability to provide home-based and community-based services to elderly individuals and people with disabilities without requiring a waiver or demonstrating cost-neutrality. Under the DRA, States can now amend their Medicaid plans to provide any of the services now covered under Section 1915(c) Home and Community Based Services (HCBS) waivers. Section 6086 of the DRA also expands services to populations not previously eligible for HCBS waivers. Section 6044 of the DRA allows States to tailor HCBS to the needs of a particular population. States are able to propose the number of recipients and the types of services provided. Additionally, States can offer services in select areas of the State, rather than other State plan services that must be available statewide.<sup>12</sup>

Several States that are considering a 1915(i) State plan amendment are developing target population criteria for individuals with serious and persistent mental illness and/or substance use conditions. These criteria include individuals who

- have undergone or are currently undergoing treatment for mental health or substance use conditions in a more intensive level of care than outpatient care, more than once in a lifetime (such as emergency services, alternative home care, medical detoxification, intensive outpatient services, partial hospitalization or inpatient hospitalization);
- have a history of psychiatric and/or substance use conditions resulting in at least one episode of continuous, professional supportive care other than hospitalization; and/or
- demonstrate a need for assistance by some of the following criteria on a continuing or intermittent basis for a specific length of time:
  - are unemployed, or employed in a sheltered setting, or have markedly limited skills and a poor work history;
  - show severe inability to establish or maintain an individual's social support system;
  - require help in basic living skills such as self-care, money management, housekeeping, cooking, or medication management; or
  - exhibit inappropriate social behavior that results in demand for intervention.

Using these criteria, a State could develop a screening and assessment process to identify individuals to participate in their 1915(i) program.<sup>13</sup> States that develop 1915(i) programs for specific populations can offer a range of support services aimed at minimizing the negative effects of substance use conditions. These services can include assistance with financial management, personal development, advocacy, crisis management, skills training, coordination/linkages with other services and resources, and peer support services. These services can be provided one-on-one, in groups, in community settings, or in the individual's natural environments.<sup>14</sup>

### Additional Medicaid Policy and Benefit Issues

Medicaid can and does cover RSS for eligible populations, such as pregnant women and women with children. For example, many States offer enhanced prenatal benefits packages to pregnant women that may include benefits such as nutritional counseling and parenting classes. Additionally, individuals seeking recovery with certain physical or mental illnesses who would otherwise be receiving costly institutional care would be eligible under an HCBS 1915(c) waiver and could receive services such as supported employment, transitional services such as security deposits and initial payments for utilities, and nonmedical transportation.

It is also important to note that while Medicaid can provide RSS through any of the methods described above individually, they are often used together. For example, a State may include



RSS under the rehab option in its State plan and contract with a managed care organization to deliver those services.

### **Funding Recovery Support Services Through the Substance Abuse Prevention and Treatment (SAPT) Block Grant**

The SAPT Block Grant provides foundational support to States for the prevention and treatment of substance use conditions, funding about 40 percent of all such expenditures.<sup>15</sup> The SAPT Block Grant was created in 1993 and funds activities in all 50 States, the District of Columbia, and eight territories.<sup>16</sup> The fiscal year 2009 SAPT Block Grant allocations totaled \$1.7786 billion.<sup>17</sup>

Although RSS are not expressly authorized by Federal statute or regulation as allowable uses for SAPT Block Grant expenditures, SAPT Block Grant funding of RSS is also not included in the statute's list of restricted uses for funds. SAPT Block Grant recipients are given considerable flexibility to determine how to spend funds on "treatment activities," which is broadly defined and could include RSS. In addition, the importance of services that constitute RSS is underscored both in the SAPT Block Grant section of the law and in regulation.

Despite the flexibility provided to States, there are requirements and restrictions listed for spending SAPT Block Grant funds as listed in the Interim Final Rule.<sup>18</sup> States are required by the Public Health Service Act, enacted 1944 and amended in 1980 by the Drug Abuse Prevention Treatment and Rehabilitation Act, to expend the SAPT Block Grant on various activities related to the prevention and treatment of substance use conditions in certain proportions.<sup>19</sup> The statute authorizing the SAPT Block Grant has the following requirements:

- At least 20 percent of SAPT Block Grant funds must be expended for primary prevention purposes.
- Five percent must be expended by "designated States" for HIV disease early intervention services.
- Five percent or more must be used to increase the availability of treatment services designed for pregnant women and women with dependent children, relative to the 1993 Block Grant allotment.
- Five percent can be expended by the States and jurisdictions on administrative costs.<sup>20</sup>

The restrictions listed as part of the Interim Final Rule limit the spending of SAPT Block Grant dollars on certain items related to prevention and treatment of substance use conditions. These restrictions are as follows:

- Use of funding inpatient services is prohibited except in specific situations.

- Block Grant funds cannot be used to make cash payments to individuals.
- Block Grant funds cannot be used to purchase or make improvements to land or any dwelling.
- There are limitations on providing block grant–funded services to individuals in jails and prisons.

Beyond the above-described requirements and restrictions, the statute and regulations governing the SAPT Block Grant program allow States considerable flexibility to plan, carry out, and evaluate prevention and treatment services and activities for substance use conditions.

“Treatment activities” are broadly defined by the statute as “treatment services...and authorized activities that are related to treatment services.”<sup>21</sup>

The statute governing the SAPT Block Grant program contains language emphasizing the importance of linking prevention and treatment activities with supportive services. Section 300x-28(c) of the Federal statute governing the SAPT Block Grant includes a funding agreement requirement for States to coordinate prevention and treatment activities “with the provision of other appropriate services (including health, social, correctional and criminal justice, educational, vocational rehabilitation, and employment services).”<sup>22</sup>

In addition, Section 132 of the Federal regulations governing the SAPT Block Grant program (45 CFR Part 96 Section 132) builds on the above statutory requirement for coordination of treatment and prevention with supportive services. In addition to the above language, the rule describing the regulation provides the following guidance:

The State is to coordinate prevention and treatment activities with the provision of other appropriate health, social, correctional and criminal justice, education, vocational rehabilitation and employment services. The regulations specify that the Secretary (of Health and Human Services), in monitoring compliance with this section, will consider such factors as the existence of memoranda of understanding between various service providers or agencies and evidence that the State has included prevention and treatment service coordination in its grants and contracts. The Secretary believes that improving service coordination and integration of services is an important objective. It is particularly important in the area of substance abuse because many of the individuals involved are either served by or need to receive services from a variety of systems.<sup>23</sup>

In addition, the statute authorizing the SAPT Block Grant describes a number of services that must be provided to particular populations using SAPT Block Grant funds. One such provision states that additional services must be provided to pregnant women and women with dependent children. The scope of services described includes primary medical care for the women and their children, gender-specific treatment for substance use conditions, and therapeutic interventions

for both the women and their children. The rule also states that treatment programs receiving funds from the SAPT Block Grant set-aside for pregnant women and women with dependent children must provide “sufficient case management and transportation services to ensure that women and their children have access” to the aforementioned required services.<sup>24</sup> All of these requirements are consistent with the delivery of RSS to the specific population.

The statute also allows States to use Block Grant dollars to establish and maintain a revolving fund to support group homes for “recovering substance abusers.”<sup>25</sup> The statute states that this fund would be used to make loans to support group homes for people in recovery from substance use conditions and that the residents of these homes would repay these loans through monthly installments. The statute further states that residents of these group homes could not use alcohol or drugs in these homes and that these individuals would establish policies governing residence in these homes.<sup>26</sup> This is another opportunity for States to use SAPT Block Grant funding to provide RSS, specifically housing, to those in need.

The SAPT Block Grant is essentially silent on allowing funding for RSS other than for specific populations. However, the SAPT Block Grant provides States with considerable flexibility to define a continuum of care and the treatment services and treatment activities within that continuum. Coordination of care, including the provision of medical and support services, is considered a priority under the SAPT Block Grant. Given this flexibility, it is permissible to provide RSS. However, in some cases the range and limits of the use of SAPT Block Grant funds for RSS remains unclear, such as the funding of RSS as independent services.

### **Funding Recovery Support Services through the Access to Recovery (ATR) Program**

ATR is a discretionary grant program funded by the Substance Abuse and Mental Health Services Administration (SAMHSA)/Center for Substance Abuse Treatment (CSAT), which provides individuals with vouchers to purchase treatment for substance use conditions and RSS at the provider of their choice. ATR has three primary goals: to expand consumer choice, to track and improve outcomes, and to increase capacity.<sup>27</sup> ATR also aims to include more faith-based and community-based providers in service delivery to reach populations that might otherwise not receive treatment or RSS.

The main requirement of ATR is that individuals are provided a choice regarding the services they receive and where they receive them. This requirement means that States need to have “genuine, free, and independent choice among eligible clinical treatment and recovery support providers, among them at least one provider to which the client has no religious objection.”<sup>28</sup> States must adopt vouchers as a payment mechanism under ATR. Vouchers are intended to support client choice by allowing an array of services from which the client can choose.<sup>29</sup>

ATR grants vary from State to State. Some States have targeted particular geographic areas and others have targeted specific populations, such as Native Americans, people with a history of methamphetamine use, or people who have been involved with the criminal justice system.

The provision of RSS is a key element of the ATR program. RSS can be delivered by staff, peers, and volunteers in the community to promote a drug-free lifestyle. States have the option to provide the full range of RSS, as follows:

- Family services (including marriage education and parenting and child development services)
- Child care
- Employment services
- Pre-employment services
- Employment coaching
- Individual services coordination
- Transportation to and from treatment, recovery support activities, or employment
- Job training
- HIV/AIDS services
- Supportive transitional drug-free housing services
- Other case management services
- Continuing care
- Relapse prevention
- Recovery coaching
- Self-help and support groups
- Spiritual support
- Other aftercare services
- Substance abuse education
- HIV/AIDS education
- Other education services
- Peer coaching or mentoring
- Housing support
- Alcohol- and drug-free social activities
- Information and referral
- Other peer-to-peer RSS<sup>30</sup>

In August 2004, the first ATR grants totaling \$100 million per year for each of 3 years were awarded to 14 States and one tribal organization. In August 2007, the second round of ATR grants totaling \$98 million per year for each of three years were awarded to 18 States, the District of Columbia, and five tribal organizations.

### **Funding Recovery Support Services Through the Recovery Community Services Program (RCSP)**

The RCSP is a discretionary grant program administered by SAMHSA/CSAT that seeks to design and deliver peer-to-peer RSS to assist individuals in initiating and sustaining recovery. Peer-to-peer RSS are designed and delivered by people with similar shared experiences of substance use and recovery and are not delivered by professionals at treatment provider agencies unless they

identify themselves as a peer and serve only in that capacity. The conceptual framework underlying peer-to-peer RSS has three components: (1) the role and importance of holistic community-based support services in sustaining recovery, (2) the conception of recovery along a change continuum and the role of peer services in supporting lifestyle change along the continuum, and (3) the notion of social support.<sup>31</sup> Research has shown that peer-to-peer RSS extend and enhance treatment by preventing relapse and promoting long-term recovery, and by minimizing the negative effects of relapses when they happen through early intervention and timely referral to appropriate treatment.<sup>32</sup> RCSP projects develop peer services in four identified areas:

- **Emotional support**—This includes activities such as peer mentoring and recovery coaching, as well as recovery support groups.
- **Informational support**—This includes provision of health and wellness information, educational assistance, and help in acquiring new skills, ranging from life skills to employment readiness and restoration of citizenship rights.
- **Instrumental support**—This includes assistance in filling out applications and obtaining entitlements, or providing child care, transportation to support-group meetings, and clothing closets.
- **Social support**—This includes helping people in early recovery feel connected and enjoy being with others, especially in recreational activities in alcohol- and drug-free environments. Such assistance is especially needed in early recovery, when little about abstaining from alcohol or drugs is reinforcing.<sup>33</sup>

Peer services are based on the premise that individuals in recovery are a valuable resource to others and their community. Some of the RCSP projects target specific populations such as women, individuals with trauma, individuals with co-occurring conditions, and individuals reentering society from jail or prison.

Peer RSS offered by RCSP projects include:

- peer-led recovery support groups and meetings;
- assistance in housing, education, and employment opportunities;
- assistance in building constructive family and other personal relationships;
- stress management assistance;
- case management, including obtaining services from multiple systems such as primary and mental health care, child welfare, and criminal justice systems;
- recovery learning circles and other forms of recovery-related adult education;
- coaching or training in life skills, health and wellness, education and career planning, and leadership skills development; and

- alcohol- and drug-free social and recreational activities.<sup>34</sup>

In 2007, eight new community organizations across the country were awarded RCSP grants totaling \$2.8 million dollars. The RCSP program currently funds 23 organizations nationwide, and the program has received \$5.24 million in funding for each of the 2008 and 2009 fiscal years.<sup>35</sup>

### **Funding Recovery Support Services Through State and Local Sources and Other Funding Streams**

States are utilizing a variety of sources to finance RSS to support individuals before, during, and after treatment. For those States that have provided RSS over the years, RSS have typically only been provided during treatment. More recently RSS are being provided throughout the continuum of care and the length and variety of services has been expanded. Several States have appropriated funding specifically for RSS. The types of services, target populations, service requirements, and funding amounts vary from State to State. Examples of RSS funded through State appropriations will be discussed later in this report.

States are using several other funding mechanisms to provide RSS, including TANF funds, drug court funding, and private funding.

#### Funding Recovery Support Services Through the Temporary Assistance for Needy Families (TANF) Program

The TANF program is a Federal block grant, administered by the Office of Family Assistance in the U.S. Department of Health and Human Services, which funds States to provide temporary assistance to aid individuals in gaining employment and achieving self-sufficiency. TANF's goals are to promote work, marriage and families, two-parent households, and responsible fatherhood.<sup>36</sup>

Since October 2006 States have been required to meet a 50 percent work participation rate for all families in their TANF programs, and a separately calculated 90 percent participation rate for two-parent families, with each rate adjusted downward for any caseload decline that occurs after 2005 for reasons other than changes in eligibility rules. To meet these requirements, States can count certain time-limited "job search" and "job readiness" activities, including treatment for substance use conditions and other rehabilitation activities. Under guidance issued by the Office of Family Assistance, "job search and job readiness assistance means the act of seeking or obtaining employment, preparation to seek or obtain employment, including life skills training, and treatment for mental health and substance use conditions, or rehabilitation activities for those who are otherwise employable."<sup>37</sup> Job search and job readiness activities, including treatment for substance use conditions, can count toward work participation requirements up to 120 or 180 hours a year, depending on whether the parent has a 20- or 30-hour work requirement.

States have flexibility in how to determine eligibility and the services offered within the TANF program. The TANF Final Rule indicates that States may offer “pro-family” expenditures to individuals in order to meet the overarching TANF goals of reducing out-of wedlock births and increasing the number of two-parent families. The “pro-family” expenditures can be provided regardless of family income and composition.<sup>38</sup> Although these activities may not be counted toward the individual’s work participation requirement, these services could assist the individual in overcoming some obstacles and barriers to obtaining and sustaining employment. These “pro-family” activities are consistent with RSS offered through other funding streams (child care, transportation, family counseling, peer supports).

### Funding Recovery Support Services Through Drug Courts

Drug courts are a joint effort of law enforcement, prosecutors, judges, Treatment Accountability for Safer Communities (TASC), treatment programs, individuals, and communities that have a common goal to promote treatment for those in need and reduce recidivism in the criminal justice system. Research indicates that a person coerced to enter treatment by the criminal justice system is likely to do as well as one who volunteers.<sup>39</sup> In many communities, drug courts are developing and delivering critical RSS through a number of public funding sources. Drug courts combine treatment for substance use conditions and rehabilitation services with sanctions and other elements of the criminal justice system. RSS are intended to be a core component of the drug court model.<sup>40</sup>

Drug courts are financed through a combination of State and Federal funding streams.

- ***State and Local Funding of Drug Courts:*** Although some funding for drug courts is provided through Federal discretionary programs (described below), many drug courts are sustained through State and local funding sources. Supporters of drug courts recognize that Federal grants cannot be the exclusive source of funds and that ensuring a stable funding source requires a combination of local, State, and other sources.<sup>41</sup> When States use local resources they often have the flexibility to design the services they would like to have included in the program. In concert with Federal funding sources, States recognize the importance of including RSS in programs to better assist individuals in achieving and maintaining recovery. RSS in State-funded drug courts aid individuals in achieving better outcomes for themselves, their families, and their communities.
- ***SAMHSA Funding for Drug Treatment Courts:*** SAMHSA partnered with the Bureau of Justice Assistance within the U.S. Department of Justice (DOJ) to fund drug courts. The purpose of this program is to expand and/or enhance treatment for substance use conditions in “problem solving” courts, which promote treatment and RSS to aid individuals in accessing services including screening, assessment, case management, and program coordination.<sup>42</sup> States that receive funding are permitted to use resources for HIV testing and medication-assisted treatment. States are required to use evidence-based



practices and give priority to veterans. The program also allows States to fund wraparound services/RSS to participants to assist them in accessing treatment and remaining in treatment. The wraparound services/RSS may include child care, transportation, vocational training, and educational training. States are given considerable flexibility in designing the model used.<sup>43</sup> RSS offered through this funding could be expanded to include other items proposed by States and approved by SAMHSA.

- ***DOJ Funding for Drug Courts:*** The Drug Court Discretionary Grant Program, administered by DOJ, awards grants of up to \$200,000 to State, local, and tribal governments to establish or enhance their drug court programs. The Bureau of Justice Assistance within DOJ developed a drug court resource guide that outlines key components of a drug court program to aid States in developing these services.<sup>44</sup> This guide outlines the effectiveness of providing treatment for substance use conditions to nonviolent offenders involved in the drug court system. Key Component #4 in the guide outlines the need for additional supports to aid the individual and reduce recidivism. “Drug courts provide access to a continuum of alcohol, drug, and other related treatment and rehabilitation services.”<sup>45</sup> Allowable services identified in the guide are as follows: housing; educational and vocational training; legal, money management, and other social service needs; cognitive-behavioral therapy to address criminal thinking patterns; anger management; transitional housing; social and athletic activities; and meditation or other techniques to promote relaxation and self-control. By listing it as a Key Component, this document emphasizes the importance of incorporating RSS as a part of drug court programs.

### Funding Recovery Support Services Through Private Sources

Some State and local agencies have used private donations and foundation grants to help fund RSS and to diversify their funding. Depending on the funding organization’s requirements and expectations, States may seek and obtain varying awards to deliver broad-based or targeted RSS. States can educate prospective organizations on the importance of providing RSS to improve health outcomes of individuals, especially in times of limited government resources. Examples of private sources of funding are described in the next section.

Table 1 summarizes the funding streams that finance RSS and describes the RSS services covered under the funding streams.

**Table 1: Summary of Funding Streams and Provision of RSS**

Funding Streams	Description	Provision of RSS
<b>Medicaid</b>	The Medicaid program operates as a partnership between Federal and State governments to provide health coverage to certain low-income individuals and families. Each State operates its own Medicaid program, with unique eligibility guidelines and benefits packages approved by the Federal Government. While treatment for substance use conditions is not a mandatory benefit under Medicaid, the majority of States have amended their Medicaid State plans to cover treatment and some RSS.	Medicaid allows the provision of RSS through the waiver processes described below and by State plan amendment.
<b>Medicaid Rehab Option</b>	Under the rehab option, States can cover “other diagnostic, screening, preventative, and rehabilitative services, including any medical or remedial services (provided in a facility, a home, or other setting) recommended by a physician or other licensed practitioner of the healing arts within the scope of their practice under State law, for the maximum reduction of physical or mental disability and restoration of an individual to the best possible functional level.”	States are required to identify what specific services will be offered as a part of the program and obtain CMS approval for these services. There is flexibility in that services can be delivered in a variety of locations by a wide range of professionals. The current exclusions are room and board, transportation, and vocational/educational training.
<b>Medicaid Managed Care/Freedom of Choice Waivers</b>	A Medicaid section 1915(b) or “freedom of choice” waiver allows States to implement managed care systems for Medicaid beneficiaries. These waivers are used by States to operate programs that affect the delivery system for some or all of the individuals eligible for Medicaid in a State.	There are no specific instructions on what services can be included. There are two limitations listed: (1) they cannot negatively impact beneficiaries’ access to care, and (2) offering the services cannot cost more than the program would have cost without the waiver. This guidance still provides States with flexibility in determining what services should be offered to best meet the needs of individuals.
<b>Medicaid Deficit Reduction Act</b>	The DRA allows States greater flexibility to furnish community-based services, including RSS, through Medicaid. States have the ability to provide home-based and community-based services to elderly individuals and people with disabilities without requiring a waiver or demonstrating cost-neutrality. States can provide any of the services now covered under Home and Community Based Services (HCBS) waivers. DRA also expands services to populations not previously eligible for HCBS waivers and allows States to tailor HCBS to the needs of a particular population.	States can offer a range of support services, including financial management, personal development, advocacy, crisis management support, skills training, coordination/ linkages with other resources, and peer support services. These services can be provided one-on-one, in groups, in community settings, or in the individual’s natural setting/home.

**Table 1: Summary of Funding Streams and Provision of RSS (continued)**

Funding Streams	Description	Provision of RSS
<b>SAPT Block Grant</b>	The SAPT Block Grant provides foundational support to States for prevention and treatment services and activities. SAPT Block Grant recipients are given considerable flexibility to determine how to spend funds on “treatment activities,” which is broadly defined and could include RSS. In addition, the importance of services that constitute RSS is emphasized both in the SAPT Block Grant section of the law and in regulation.	The SAPT Block Grant requires the provision of RSS to an identified population, pregnant women and women with dependent children. Block Grant language specifically states that agencies providing treatment services must also offer prenatal care and child care to women with dependent children. SAPT Block Grant funds may also be used to help establish group homes for recovering individuals with substance use conditions. Section. 300x28(c) requires the coordination of additional services to aid individuals in the areas of health, social, vocational, educational, criminal justice, and employment, although there is no specific guidance. Designated States are required to provide HIV pretest and posttest counseling.
<b>ATR</b>	ATR is a discretionary grant program funded by SAMHSA/CSAT which provides individuals with vouchers to purchase treatment for substance use conditions and RSS at the provider of their choice. The three goals of the program are to expand consumer choice, to track and improve outcomes and, to increase capacity. ATR also aims to include more faith-based and community-based providers in service delivery. RSS are delivered by staff, peers, and volunteers in the community to promote a drug-free lifestyle.	Allowable services include family services (marriage education, parenting, and child development services), child care, individual services coordination, transportation, employment services and job training, HIV/AIDS education and services, supportive transitional drug-free housing services, other case management services, continuing care, relapse prevention, recovery coaching, self-help and support groups, spiritual support, other aftercare service, substance abuse education, and peer coaching and mentoring.
<b>RCSP</b>	RCSP is a program designed specifically to deliver peer support services. These services are not related to treatment and are not provided by professionals at treatment agencies unless these professionals identify themselves as peers and function only in that capacity. RCSP promotes the healthy community by helping the individual achieve and maintain a drug-free lifestyle. The program builds on the premise that individuals in recovery are a valuable resource.	Allowable services include peer-led recovery support groups and meetings, recovery coaching or mentoring, peer case management, recovery education, life skills training, health and wellness training, education and career planning, leadership skills development, and alcohol- and drug-free social and recreational activities.
<b>State and Local</b>	States are funding RSS within their overall service continuum to promote health and wellness. By demonstrating need and benefit to legislators, State agencies have been appropriated funds to expand RSS. States have begun to offer additional supports to individuals before, during, and after treatment. Additionally, States are extending the length and the range of RSS options as a way to promote ongoing recovery.	The types of services provided, target populations, services requirements, and availability of funding vary from State to State.

**Table 1: Summary of Funding Streams and Provision of RSS (continued)**

Funding Streams	Description	Provision of RSS
<b>TANF</b>	The TANF program is a Federal block grant administered by the Office of Family Assistance within the U.S. Department of Health and Human Services, which funds States to provide temporary assistance to aid individuals in gaining employment and achieving self-sufficiency. The TANF Final Rule indicates that States may offer “pro-family” expenditures to individuals in order to meet the overarching TANF goals of reducing out-of wedlock births and increasing the number of two-parent families. The “pro-family” expenditures can be provided regardless of family income and composition.	“Pro-family” activities are consistent with RSS offered through other funding streams (e.g., child care, transportation, family counseling, peer supports).
<b>Drug Courts State and Local Funding</b>	State drug courts often combine resources from Federal, State, and local revenue streams to fund the program. This approach allows greater flexibility in designing the services to be included in the program. State drug courts recognize the importance of including RSS in programs to better assist individuals in achieving and maintaining recovery.	States often have flexibility in designing the components of their drug court program to include RSS when using local resources.
<b>Drug Courts SAMHSA Funding</b>	SAMHSA partnered with the Federal Department of Justice (DOJ) /Bureau of Justice Assistance to fund drug courts. The purpose of this program is to expand and/or enhance treatment for substance use conditions services in “problem solving” courts, which promote treatment for substance use conditions and RSS to aid individuals in accessing treatment services.	The program allows States to fund wraparound services/RSS to participants to aid them in accessing treatment and remaining in treatment. The wraparound services/RSS may include child care, transportation, vocational training, educational training, etc.
<b>Drug Courts DOJ Funding</b>	The Drug Court Discretionary Grant Program, administered by DOJ, awards grants to State, local, and tribal governments up to \$200,000 to establish or enhance their drug court programs. The Bureau of Justice Assistance within DOJ developed a drug court resource guide outlining key components of a drug court program to aid States in developing these services. This guide outlines the effectiveness of providing treatment for substance use conditions to nonviolent offenders involved in the drug court system. Key Component #4 in the guide also outlines the need for additional supports to aid the individual and reduce recidivism: “Drug courts provide access to a continuum of alcohol, drug, and other related treatment and rehabilitation services.”	Allowable services include housing; educational and vocational training; legal, money management, and other social service needs; cognitive-behavioral therapy to address criminal thinking patterns; anger management; transitional housing; social and athletic activities; and meditation or other techniques to promote relaxation and self-control.
<b>Private Funding</b>	Some State and local agencies use private donations and foundation grants to help fund RSS.	States may have the flexibility to design which RSS are offered depending on the funding source and the requirements associated with the funding.

### FINANCING RECOVERY SUPPORT SERVICES: STATE EXAMPLES

This section of the report provides a summary of innovative approaches used by States to fund recovery support services (RSS). The summary highlights State examples that demonstrate how the funding streams described in the previous section are used to support RSS. State examples for Medicaid, managed care, Access to Recovery (ATR), the Substance Abuse Prevention and Treatment (SAPT) Block Grant, the Recovery Community Services Program (RCSP), State and local funding, and other sources (including Temporary Assistance for Needy Families (TANF), drug courts, and private sources of funding) are shown below.

#### **New Mexico: Funding Recovery Support Services Through the Medicaid Rehab Option**

New Mexico initiated the creation and expansion of comprehensive community support agencies to provide Comprehensive Community Support Services (CCSS). The CCSS program is identified as a critical step in building a system of care in New Mexico that is based on the principles of recovery and resiliency. The CCSS program was officially approved by the Centers for Medicare and Medicaid Services (CMS), and its services are now covered by New Mexico's State Medicaid plan.

CCSS were designed around the needs and desires of consumers and their family members. Among other services, comprehensive community support agencies help consumers in the development and coordination of a personalized service plan. These plans include recovery and resiliency management, crisis management, support, and intervention. Individualized interventions include coordinating resources to access rehabilitative services, developing interpersonal skills, self-management skills, finding stable housing, and encouraging access to natural supports. CCSS are provided to individuals 21 years of age or older with chronic substance use conditions or severe mental illness. Services are provided by staff at the comprehensive community support agencies for the duration of individual need and are subject to utilization review. The majority of services provided by CCSA staff (approximately 60 percent) must be provided in face-to-face settings.<sup>46</sup>

#### **Arizona: Funding Recovery Support Services Through the Medicaid Rehab Option**

In 2000, Arizona's Division of Behavioral Health Services underwent a major shift in how services were delivered, including the expansion of person- and family-centered services. As a result of the State's commitment to a recovery-oriented approach to treatment, the Division of Behavioral Health Services developed a new *Covered Behavioral Health Services Guide* in 2001 which was revised in 2007.<sup>47</sup> This guide includes protocols for the provision of RSS. Once included in the guide, implementation of these new RSS progressed quickly.

RSS providers became recognized and accepted as a new category of provider, called Community Service Agencies (CSAs). CSAs are community- and/or faith-based organizations

that provide nontraditional support and rehabilitation services. Seventy-six CSAs currently operate across the State. These CSAs provide services to individuals who meet the Arizona poverty-level requirements for Medicaid. Services are provided for limited terms as long as an individual remains eligible and funding is available. Arizona's benefits package includes a wide variety of treatment and support services, such as individual, family, and group counseling; consultation, assessment, and special testing; other treatment services such as auricular acupuncture and traditional healers; living skills training; cognitive rehabilitation; health promotion; supported employment; case management; family and peer support; transportation assistance; and housing support.<sup>48</sup> Some Arizona localities developed specific RSS to address the unique needs of Native Americans, offering services such as sweat lodges, talking circles, and traditional healing.

Additionally, the State created several Recovery Support Specialist positions, specific to drug and alcohol services. Individuals in these positions serve as mentors and recovery coaches in many alcohol and drug treatment agencies. Recovery Support Specialists are intended to enhance the effectiveness of alcohol and drug treatment. To meet the critical need to ensure that Recovery Support Specialists are well trained, the State created the Recovery Support Specialist Training Institute. A curriculum was created under contract by the University of Arizona; the training includes 7-day initial intensive training, eight weekly practicum meetings, and 120 hours of supervised work.<sup>49</sup>

Income eligibility limits for Medicaid in Arizona (as of January 2009) are as follows:

- Infants under age 1: 140 percent of the Federal poverty level (FPL).
- Children ages 1–5: 133 percent of the FPL.
- Children and young adults ages 6–18: 100 percent of the FPL.
- Parents: 200 percent of the FPL.<sup>50</sup>
- Childless adults ages 19–64:<sup>51</sup> 100 percent of the FPL.
- Supplemental Security Income (SSI) beneficiaries: 74 percent of the FPL.<sup>52</sup>

Arizona, like many States, has eliminated “asset tests” and does not consider a family’s resources when determining eligibility for Medicaid. Like all States, individuals in Arizona must be State residents and U.S. citizens to qualify for Medicaid.

### **Philadelphia, Pennsylvania: Funding Recovery Support Services Through the Medicaid Managed Care/Freedom of Choice Waivers**

Philadelphia, Pennsylvania, worked to change the culture of the city’s substance use and mental health systems and of the city’s existing treatment programs by helping individuals move toward long-term recovery and by embedding recovery-oriented practices, including RSS, throughout its



behavioral health system. Since 1997 the city of Philadelphia has run its own managed care organization to provide treatment for mental health and substance use conditions to uninsured, underinsured, and Medicaid-eligible individuals.<sup>53</sup>

Individuals receiving Medicaid-funded services for mental illness or substance use conditions in Philadelphia must receive their services through the city's managed care organization, called Community Behavioral Health (CBH). CBH is a private, nonprofit, 501(c)(3) managed behavioral health care organization that is fully owned and run by the city. CBH administers behavioral health payments for practically all of the Medicaid populations that are served in the city.<sup>54</sup>

CBH offers a number of RSS, including peer support, outreach, housing, vocational training and employment, income maintenance, medical care and rehabilitation, and other community-based services. In addition to funding from Medicaid and reinvestment of money saved by CBH, Philadelphia's program receives support from a variety of other local and State sources, such as the Pennsylvania Department of Health's Bureau of Drug and Alcohol Programs, and the Pennsylvania Department of Public Welfare's Office of Mental Health and Substance Abuse Services.<sup>55</sup>

Prior to 1997, Philadelphia contracted with a for-profit managed care organization to provide treatment and services for mental health and substance use conditions. By assuming responsibility for its own Medicaid recipients, the city recognized it could simplify an onerous and complex system and make it more cost-effective and responsive to those it serves. The city could reduce the high overhead costs associated with for-profit managed care and direct its share of State funds into services that would have the greatest benefit for those in need of behavioral health care. This "system transformation" offered the opportunity for the city to better integrate health care services with other social services, such as those addressing housing and joblessness issues.<sup>56</sup>

### **Iowa: Funding Recovery Support Services Through the Medicaid Deficit Reduction Act**

Currently, Iowa is the only State that amended its State plan to provide Home and Community Based Services (HCBS) under 1915(i). The HCBS program in Iowa provides services to individuals with chronic mental illness. Individuals must be Medicaid eligible and earn less than 150% of the FPL. In order to be eligible for HCBS services, individuals must have a history of psychiatric illness and have previously been or currently be involved in treatment. Individuals must also require additional assistance demonstrated by unemployment, lack of support system, inappropriate social behavior, or inability to take care of one's self.<sup>57</sup> Services offered as a part of the HCBS program include case management, medication management, grocery shopping, budgeting, social skill and communication skill development, pre-vocational services, and supported employment.<sup>58</sup> A case manager completes an assessment to determine the need for services. Once it is determined that an individual needs services, an interdisciplinary team plans and provides the services for the duration needed.



### **Connecticut: Funding Recovery Support Services Through the Access to Recovery (ATR) Program**

The State of Connecticut was awarded an ATR grant in 2004 and 2007. Connecticut's ATR program provides a comprehensive array of clinical treatment and RSS. Within the State's five regional networks, there are a total of 36 clinical treatment and 130 RSS providers, including peer and faith-based providers.

Approximately two-thirds of Connecticut's ATR service budget is invested in RSS. Individuals are eligible to receive ATR services based on their needs and their situation, particularly if they are on probation/parole or currently receiving treatment.<sup>59</sup> In Connecticut, ATR-funded RSS include congregate sober housing and independent housing, case management, child care, transportation (bus passes only), vocational/educational services, food, clothing, personal care, faith-based services, and peer-based services. The majority of support services are provided from 3 to 5 months, and the Department of Mental Health and Addiction Services (DHMAS) has the ability to authorize extensions, on an individual basis, if the need for an extension is determined.

To be eligible for reimbursement, RSS providers must complete certification applications for each recovery service they intend to provide. As part of the certification process, DMHAS assists the provider in evaluating the agency's capacity to provide services to comply with all program requirements, including compliance with required documentation. DMHAS conducts site reviews that include examination of service documentation as well as invoices submitted for reimbursement.

Additionally, DMHAS has indicated that new RSS service providers who are not familiar with fee-for-service reimbursement often struggle with the paperwork and documentation requirements. As a result, the State used site visits to aid providers in this process.

### **Wyoming: Funding Recovery Support Services Through the Access to Recovery (ATR) Program**

Wyoming received ATR funding from 2004 to 2007. One of the specific goals of this ATR project was to expand the definition of adequate treatment to include quality aftercare support services, known as RSS, for every youth involved in treatment for substance use conditions services in the Casper/Natrona County court system. RSS provided to youth and their families through this project included family services (parenting, sexual, and marriage education), child care, coaching, transportation, supportive transitional drug-free housing services, relapse prevention, spiritual support, HIV/AIDS education, GED (general equivalency diploma) preparation, peer coaching and/or mentoring, and alcohol- and drug-free social activities. The State used 36 billing codes that included traditional treatment codes plus other codes for housing (both short-term and long-term), mentoring, job skills, job training, transportation, spiritual support, and physical rehabilitation.<sup>60</sup>

Case facilitators were assigned to individuals when they entered the program and followed them until their discharge. The duration of services was based on individual need.

### **Texas: Funding Recovery Support Services Through the Recovery Community Services Program (RCSP)**

The Association of Persons Affected by Addiction (APAA) was founded in 1988 in Dallas, with support from a Federal grant, to advocate on behalf of people in recovery. APAA is a recovery community organization that continues to advocate for recovery and offers peer-to-peer RSS to support recovery, reduce relapse, and promote wellness. The organization's target populations are people seeking or in recovery, individuals with co-occurring mental health and substance use conditions, individuals who are homeless, those involved in the criminal justice system, and individuals who are transitioning out of the publicly funded treatment system. APAA reaches more than 1,500 people a month through a variety of activities and supports, ranging from career planning classes to Recovery 101 workshops.<sup>61</sup>

In 2003, APAA received a new, 4-year grant from the Federal RCSP to provide peer RSS to those affected by substance use conditions in Dallas. Since 2007, APAA has contracted with a third-party payer, the Value Options managed care company, to provide peer-to-peer RSS in a six-county region. APAA also receives funding from State and local sources to educate the public about recovery and provide peer RSS for mental health and substance use conditions, without cost, to individuals and their family members.

Value Options set up two billing codes for APAA to provide recovery group services and recovery coaching to individuals earning up to 200 percent of the FPL who have co-occurring mental health and substance use conditions. APAA also provides educational, emotional, informational, and companionship support to individuals and families. For individuals in need of additional RSS, APAA collaborates with other partners such as the YMCA, the housing authority, and organizations that provide employment. Individuals typically receive services for 8 weeks. However, Value Options will approve individuals for additional peer RSS if they demonstrate the need.

### **Connecticut: Funding Recovery Support Services Through the Substance Abuse Prevention and Treatment (SAPT) Block Grant**

Connecticut DMHAS serves 90,000 people annually and has an operating budget of \$600 million. In 1999, it began a systemic effort to transform its delivery system into a recovery-oriented system of care, which encompassed the following steps:

- Develop core values and principles.
- Establish a conceptual and policy framework to guide its efforts.
- Make significant workforce changes that involve establishing new competencies and skills.

- Change programs and the services structure to enhance certain types of program models, such as peer-run programs and programs operated by the recovery community.
- Realign fiscal resources and review administrative policies to ensure that recovery concepts and program models are being supported.<sup>62</sup>

In September 2002, the Commissioner of DMHAS signed Commissioner’s Policy Statement No. 83, “Promoting a Recovery-Oriented Service System,” which set the direction and overarching goal for this transformation.<sup>63</sup> The State has emphasized the funding of RSS as a part of their transformation effort and has used a variety of mechanisms to provide RSS, including the SAPT Block Grant.

Connecticut provides a variety of recovery supports using SAPT Block Grant funds, including vocational rehabilitation, transportation, case management and outreach services. Emphasis for case management and outreach services is placed on specific at-risk populations, including seniors, Latinos/Latinas, African Americans, and pregnant and parenting women. RSS, funded by the SAPT Block Grant, are provided to individuals with a primary substance use condition who have no health care coverage or any financial resources to pay for such services.

In fiscal year 2009, the State expects to spend more than \$3 million of its block grant allocation in RSS, about 16 percent of its total expenditure.

### **Vermont: Funding Recovery Support Services Through State Appropriations**

Vermont developed the Drug Education, Treatment, Enforcement and Rehabilitation (D.E.T.E.R.) plan, which funds nearly \$3 million of new programs and services, including transitional housing, peer support, and facilitating connections to employment.<sup>64</sup> D.E.T.E.R. is a comprehensive plan initiated by Governor Jim Douglas. The plan funds the new programs and services and coordinates existing resources into a single statewide initiative. “The Governor’s D.E.T.E.R. initiative enabled the development of several recovery centers across the State. Additional funds have been available to assist with transitional housing and halfway housing services.”<sup>65</sup>

D.E.T.E.R. funded the Friends of Recovery Vermont (FOR-VT) to provide RSS, including recovery centers. FOR-VT is a statewide recovery community organization that provides recovery activities, support, and advocacy. They support RSS initiatives and promote adoption of best practices in regard to provision of RSS. FOR-VT recommends increasing the availability of care before, during, after, and (when appropriate) as an alternative to treatment. This includes greater access to traditional case management, peer case management, aftercare and relapse prevention groups, alumni groups, parent support groups, medication-assisted recovery, peer mentors/recovery coaches, telephone-based followups, and annual recovery checkups.<sup>66</sup>

Vermont's recovery centers are local drop-in centers operated by peers providing drug-free social activities. These centers provide nonclinical services to assist with establishing community connections that lead to employment, housing, and other social supports. "Recovery centers are committed to supporting a person's efforts in preventing relapse and should relapse occur, in quickly returning to recovery."<sup>67</sup>

### **Oregon: Funding Recovery Support Services Through State Appropriations**

Oregon is among the States and localities using State funds to finance RSS. In response to the high costs of untreated substance use conditions in the State, Oregon began a transition to a recovery-oriented system by engaging the recovery community through a series of focus groups in 2004. State officials became better aware of the need for support services to enhance detoxification and treatment, and in response the State legislature committed \$14.1 million over the next 6 years to establish various RSS.<sup>68</sup> A 2008 report by the Oregon Department of Human Services discusses the need for additional State investment in the full continuum of prevention, treatment, and RSS, stating that \$16.1 million is needed for the next 6 years for RSS.<sup>69</sup> The report defines RSS as including peer-delivered services, recovery mentors, recovery coaches, and recovery case management and other services such as housing support and transportation.<sup>70</sup>

The State also recognized the need to target services to certain populations. For example, parents with children in the welfare system who are not eligible for Medicaid are eligible for new services such as peer mentoring. The State has made meeting individuals' culturally specific needs a priority. Additionally, the State has plans to develop drug-free housing options and to begin providing rental assistance.

In addition to the \$14.1 million over 6 years to specifically fund RSS, in 2007 the Oregon Legislature created the Intensive Treatment and Recovery Services (ITRS) initiative and appropriated \$10.4 million for outpatient and residential treatment services and housing development. ITRS is a collaborative effort between the Oregon Addictions and Mental Health Division and the Children, Adults and Families Division to increase outpatient, intensive outpatient, and residential treatment services in addition to case management and sober housing for families with substance use conditions.<sup>71</sup> ITRS has a large RSS component and covers a number of support services, including peer supports, recovery mentors, recovery coaches, jobs training, and transportation. In addition, ITRS funding included \$500,000 for the development of an additional 18 drug- and alcohol-free homes for families.

### **Philadelphia, Pennsylvania: Funding Recovery Support Services Through State Appropriations**

The city of Philadelphia developed a comprehensive strategy to address substance use conditions as chronic conditions that require a wide variety of services be available to individuals seeking recovery. This comprehensive strategy was developed by holding focus groups with the recovery

community. The focus group strategy included emphasis on treatment services that address substance use but also included addressing underlying problems. A high number of individuals with substance use conditions in Philadelphia have also experienced some form of trauma. Officials agreed on the importance of treating the trauma, including sexual, physical, or emotional abuse. They hired and trained about 200 peer specialists to work with those who have co-occurring mental health and substance use conditions. These peer specialists had a positive effect in two unintended areas: (1) they were able to reach out to the faith community and help individuals incorporate spirituality into their recovery process, and (2) they were able to conduct outreach in underrepresented areas.

Philadelphia funded these programs using cost offsets from the criminal justice system. “The city funded these innovations by drawing from the cost offsets from other departments that realized benefits because fewer people needed their services. By working with county jails, for example, the department helped significantly reduce the number of days inmates spent behind bars and saved the jail system approximately \$35 million in fiscal year 2007.”<sup>72</sup>

### **New Jersey: Funding Recovery Support Services Through the Temporary Assistance for Needy Families (TANF) Program**

New Jersey developed an innovative way to provide RSS for individuals involved in the TANF program. These supports are designed to aid the individual in achieving and maintaining recovery with the end goal of obtaining employment. RSS offered include child care and transportation vouchers, parenting and nutrition education services, case management, and a limited allowance for necessary work-related expenses among its support services in its TANF State plan.<sup>73</sup> Some recipients are eligible to receive several types of limited assistance even if they do not receive TANF benefits. These individuals must otherwise be eligible for cash assistance or be working families whose income does not exceed 250 percent of the FPL.<sup>74</sup> RSS are offered throughout New Jersey in a variety of locations. The duration of services varies from individual to individual, with a maximum service provision of 60 months.

### **Florida: Funding Recovery Support Services Through State-Funded Drug Courts**

The drug court funding model in Florida is one example of a system that blends State and local funding.<sup>75</sup> Experts attribute the relatively stable funding for Florida’s drug courts to partnerships, linkages, and collaborations between the local drug courts and the relevant State agencies, including the departments of corrections, health, and children and families. Involvement by the State’s Supreme Court and Governor’s office, and work with the legislature to obtain funding from each of the State agencies overseeing different aspects of drug courts, were also identified as factors contributing to the funding success of Florida drug courts.<sup>76</sup>

While the courts are primarily concerned with criminal activity and alcohol and other drug use, the drug court team also considers concurrent issues such as mental illness, primary medical

problems, HIV and other sexually transmitted diseases, gambling problems, housing, educational and training needs, employment and job preparation skills, personal relationships and family issues (especially domestic violence), and the long-term effects of childhood physical and sexual abuse.<sup>77</sup> If not addressed, these factors will impair an individual's success in treatment and will compromise compliance with program requirements.

RSS are offered to individuals involved in the drug court system in Florida who have been charged with either a drug-related felony or a misdemeanor possession charge. Individuals may receive services for the duration of their participation in the drug court program. Services are available throughout 20 judicial districts in Florida. Appropriate services offered as a part of the program include housing/transitional housing, educational and vocational training, legal services, money management, anger management, and stress management.<sup>78</sup>

### **Kentucky: Funding Recovery Support Services Through SAMHSA-Funded Drug Courts**

In October 2008, SAMHSA awarded 20 drug courts across the country a total of \$17.4 million in new grants to expand treatment capacity, including RSS. Grants were awarded to county and other local drug court agencies, with grantees receiving up to \$300,000 each year over the course of 3 years.<sup>79</sup> Kentucky drug courts in Christian, Floyd, and Perry Counties were each awarded grants of \$300,000 per year beginning in 2009. The grants enable the drug court programs to effectively implement the Assertive Community Treatment model. In this model, services are extended to the most difficult to treat and isolated individuals in the community. Each county uses part of the grant to fund case management, peer recovery specialists, and job coaches.<sup>80</sup> Adding these enhanced services to the existing array of substance abuse education and treatment services allows the drug court programs to reach beyond traditional treatment methods and focus on life skills that participants need for long-term, successful recovery.<sup>81</sup>

### **Texas: Funding Recovery Support Services Through Access to Recovery (ATR)-Funded Drug Courts**

Texas was awarded a second round of the ATR grant totaling \$4.5 million a year for 3 years. The goal of the funding is to increase access to services for substance use conditions overall. The funding is used to support a number of participating drug court programs in 18 counties across the State.<sup>82</sup> Participants must meet specific criteria, including involvement in a participating drug court and use of methamphetamine in the previous 90 days. Texas is offering a number of RSS in addition to treatment services. All individuals are assessed by an independent assessor to determine their level of need and motivation to change. RSS offered include individual recovery coaching, spiritual support groups, life skills groups, relapse prevention groups, recovery support groups, drug-free transitional housing, educational training, employment coaches, transportation, and child care services.<sup>83</sup> Services are authorized for 30 days at a time.



### **California: Funding Recovery Support Services Through U.S. Department of Justice (DOJ)–Funded Drug Courts**

San Mateo County in California received \$160,000 in 2008 to enhance services, including case management and other RSS, and to support a minimum of 30 drug court participants with methamphetamine-specific treatment per year.<sup>84</sup>

The San Mateo County Superior Court and Behavioral Health and Recovery Services developed the enhanced services. These proposed services were designed in collaboration with the local treatment provider, El Centro de Libertad, and other community stakeholders with competence and experience in providing a continuum of services to methamphetamine users in the San Mateo County Drug Court Program. A minimum of 30 individuals per year receive case management, recovery support, contingency management, and aftercare services for up to a year based on individualized treatment plans.<sup>85</sup>

The aftercare program is open-ended. Participants usually remain in the program until they have developed a strong foundation in the recovery community, generally about 6 months.

### **Wyoming: Funding Recovery Support Service Through Private Sources**

Wyoming used funding from private sources to finance a nearly statewide network of support service providers. The State’s large oil and gas industry expressed interest in funding services similar to those funded by ATR to strengthen the network of providers and expand and create a system of care across the State. Combined, the oil and gas industry committed more than \$11 million for a 5-year period. A nonprofit organization, called Connections, was created by a group of donors to act as a clearinghouse to fund a network of 53 smaller providers with these funds. These providers are located around the State and serve all but the western part of the State. Individuals may receive services as long as they have a need. Services include family services, child care, employment coaching, transportation, supportive transitional drug-free housing, relapse prevention, spiritual support, HIV/AIDS education, other educational services such as GED preparation, peer coaching and mentoring, and drug-free social activities. In addition to financing RSS, funds were available to track and collect data to help measure program success.

Connections solicits funding, and it contracts with agencies that provide independent services remunerated through voucher billing. Connections processes and approves the billing for these agencies. Connections supplies caseworkers to providers to determine client needs and screen for eligibility for a full spectrum of services. Caseworkers screen for other services for which individuals may be eligible, such as food stamps.

The goal is for providers—both secular and faith-based organizations—to serve as a “one-stop shop” for individuals. Currently, the program is serving approximately 2,500–2,700 individuals



at any given time, which is especially significant considering Wyoming's small population. The program is still in its early stages, and it continues to develop and expand.

Administrators report that the outlook for program sustainability is positive, although a significant drop in oil prices could result in less profitability for the oil and gas industry. However, Connections is developing a memorandum of understanding with the oil and gas companies and the State to secure ongoing program funding that would be included in all new oil and gas leasing contracts. This commitment would help Wyoming communities to mitigate some of the negative impacts of the oil boom in Wyoming, such as increased high school dropout rates as young people leave school to work in the oil fields.

### **Rhode Island: Funding Recovery Support Services Through Private Sources**

In 2006, the Robert Wood Johnson Foundation awarded an Advancing Recovery grant to a partnership of organizations in Rhode Island, including Family Resources Community Action, Gateway Healthcare, NRI Community Services, and the Department of Mental Health, Retardation and Hospitals. The purpose of the grant was to implement continuing care as a level of care in the treatment continuum. Rhode Island's program, called Continuing Care, is available to individuals who disengage or who do not complete treatment. Attempts are made to engage the client in continuing care as a way to reenter the treatment continuum for additional supports. Continuing care services extend treatment 2 years beyond primary treatment. Key components of the program include phone-based assessment and counseling, face-to-face sessions as needed, and linkages to case management services to meet the full array of individuals' needs, including housing, employment, and access to medical care.<sup>86</sup>

Table 2 summarizes examples of States' use of funding streams for RSS and provides information on eligibility, terms of coverage, service location, and RSS covered under each funding stream.

**Table 2: Summary of Examples of States’ Use of Funding Streams, Eligibility, Terms of Coverage, Service Location, and RSS Covered**

Funding Streams	Who Is Eligible?	Terms of Coverage	Service Location	RSS Covered
<b>Medicaid Rehab Option New Mexico</b>	Comprehensive Community Support Services (CCSS) are provided to individuals who are 21 years old with chronic substance abuse, or adults with severe mental illness. An individual will not be excluded from services if they have a diagnosis of co-occurring disorders.	Services are provided based on individual need and are subject to utilization review.	A variety of locations in the community, including the person’s home or other living arrangements. Sixty percent of services out of the facility must be provided face-to-face.	Services include recovery and resiliency management, crisis management, support and intervention, developing interpersonal skills, self-management skills, and finding stable housing.
<b>Medicaid Rehab Option Arizona</b>	Arizona State residents who meet the following income limits are eligible: Infants under age 1: 140% of the Federal Poverty Level (FPL) Children ages 1–5: 133% of FPL Children and young adults ages 6–18: 100% of FPL Parents: 200% of FPL Childless adults ages 19–64: 100% of FPL SSI beneficiaries 74% of FPL	Services are provided for limited terms as long as an individual remains eligible and funding is available.	76 Community Service Agencies (CSAs) operate across the State.	Services include screening, assessment, evaluation, counseling, peer support, living skills training, case management, supported employment, transportation, housing support, and medication management.
<b>Medicaid Managed Care Philadelphia, Pennsylvania</b>	Community Behavioral Health (CBH) provides behavioral health services for individuals on medical assistance.	The length of services is based on utilization review.	Various locations in the city of Philadelphia and the surrounding counties	Services include: peer support, housing, vocational training and employment, income maintenance, medical care and rehabilitation.
<b>Medicaid Deficit Reduction Act Iowa</b>	Individuals must be Medicaid eligible and earn less than 150% of the FPL to receive services. Adults with chronic mental illness are eligible.	The duration is based on need.	Services are available statewide.	Services include case management, medication management, grocery shopping, budgeting, social skill and communication skill development, pre-vocational services, and supported employment.

**Table 2: Summary of Examples of States’ Use of Funding Streams, Eligibility, Terms of Coverage, Service Location, and RSS Covered (continued)**

Funding Streams	Who Is Eligible?	Terms of Coverage	Service Location	RSS Covered
<p><b>ATR Connecticut</b></p>	<p>Adults (18 years old or older) with a verifiable substance use disorder who are involved in one of the following State agency programs: probation, parole, Department of Children and Families, Hartford Community Court, Waterbury Community Court, or specialized treatment for substance use conditions.</p>	<p>The majority of services are provided for 3–5 months, but can be extended on an individual basis, if needed.</p>	<p>Within the State’s five regional networks, there are a total of 36 clinical treatment providers and 130 RSS providers.</p>	<p>Services include congregate sober housing, independent housing, case management, child care, transportation (bus passes only), vocational and educational services, food, clothing and personal care, faith-based services, and peer-based services.</p>
<p><b>ATR Wyoming</b></p>	<p>The target population is adolescent youth who were involved with the courts in Natrona County and, as indicated by assessments, require substance use services. Any youth referred from the municipal, circuit, or district Court was eligible for Wyoming’s Access to Recovery (WATR) services. Any adolescent referred by the Department of Family Services Probation Services or juvenile on adult probation through the circuit court was also eligible for WATR services.</p>	<p>Case facilitators were assigned when individuals entered the program and they remained with the client until discharged from the WATR program. Duration of services was based on individual need.</p>	<p>Casper/Natrona County</p>	<p>Services include family services (parenting, sexual, and marriage education), child care, coaching, transportation, supportive transitional drug-free housing services, relapse prevention, spiritual support, HIV/AIDS education, GED preparation, peer coaching and/or mentoring, and alcohol- and drug-free social activities.</p>
<p><b>Recovery Community Services Program (RCSP) Texas</b></p>	<p>Target populations are people in pre-recovery, individuals with co-occurring mental health and substance use conditions, homeless individuals, those involved in the criminal justice system, and those transitioning out of publicly funded treatment. Individuals are eligible if they earn up to 200% of the Federal Poverty Level.</p>	<p>Individuals typically receive services for 8 weeks, but they can be approved for an additional 8 weeks if they demonstrate need.</p>	<p>Dallas, Texas, and the five surrounding counties</p>	<p>Services include recovery coaching and education, job readiness training, and recovery community awareness programs.</p>

**Table 2: Summary of Examples of States’ Use of Funding Streams, Eligibility, Terms of Coverage, Service Location, and RSS Covered (continued)**

<b>Funding Streams</b>	<b>Who Is Eligible?</b>	<b>Terms of Coverage</b>	<b>Service Location</b>	<b>RSS Covered</b>
<b>SAPT BG Connecticut</b>	Individuals who have a primary substance use condition and who are indigent or medically indigent.	The services are provided for the duration of need.	Services are offered at 24 community-based treatment agencies, each serving one specific community. One case management program is operated by a State office and one vocational program is offered by a nonprofit agency specializing in vocational supports, and both offer services statewide.	Services include case management, vocational rehabilitation, transportation, and outreach to specific populations (seniors 55+, Latinos/Latinas, African Americans, and pregnant and parenting women).
<b>State and Local Funding Vermont</b>	Drop in Centers are open to the public.	Services are provided for the duration of need.	Drop in Centers are located throughout the State.	Services include support, advocacy, case management, peer case management, prevention groups, alumni groups, parent support groups, telephone based follow up and annual recovery checkups.
<b>State and Local Funding Oregon</b>	Families of a parent with a substance use condition	Services are provided for the duration of need.	Recovery centers exist in Portland, and 1,325 Oxford housing beds exist statewide, with plans to have two new recovery centers by 2013 and expand peer mentoring by 2015.	Services include peer-delivered services, recovery mentors, recovery coaches, case management, housing support, parenting supports, and transportation assistance.
<b>State and Local Funding Philadelphia, Pennsylvania</b>	Individuals with co-occurring mental health and substance use conditions who suffered some form of trauma and are engaged in treatment services in Philadelphia in treatment	Services are provided for the duration needed.	Philadelphia	Peer specialist work is offered to trauma victims.

**Table 2: Summary of Examples of States’ Use of Funding Streams, Eligibility, Terms of Coverage, Service Location, and RSS Covered (continued)**

Funding Streams	Who Is Eligible?	Terms of Coverage	Service Location	RSS Covered
<b>TANF New Jersey</b>	Recipients are eligible to receive time-limited non-cash assistance TANF supports, which are funded with Federal TANF and/or State Maintenance of Effort (MOE) money, even if the individuals do not receive TANF cash assistance. These include individuals who may otherwise be eligible for cash assistance or working families whose income does not exceed 250% of the Federal Poverty Level, and employed cash assistance recipients who voluntarily close their case and meet specific eligibility criteria.	Terms of coverage vary, but services are provided with a maximum of 60 months.	Various locations throughout New Jersey	Services include childcare and transportation vouchers, parenting and nutrition education services, case management, and limited allowance for necessary work related expenses.
<b>Drug Courts State and Local Funding Florida</b>	Eligibility is limited to certain individuals involved in the drug court system in Florida: persons charged with a felony of the second or third degree for purchase or possession of a controlled substance under chapter 893, or persons charged with a misdemeanor for possession of a controlled substance or drug paraphernalia under chapter 893.	Individuals may receive services during their participation in the drug court system.	20 judicial districts in Florida	Services include housing/transitional housing, educational and vocational training, legal services, money management, anger management, and stress management.
<b>Drug Courts SAMHSA Funding Kentucky</b>	Drug court participants in Christian, Floyd, and Perry Counties	The program consists of three phases that last at least 1 year and are followed by aftercare. Drug court staff and participants work together to develop individual program plans with specific responsibilities and goals with timetables.	Christian, Floyd, and Perry Counties	Services include case management, peer recovery specialists, and job coaches.

**Table 2: Summary of Examples of States’ Use of Funding Streams, Eligibility, Terms of Coverage, Service Location, and RSS Covered (continued)**

Funding Streams	Who Is Eligible?	Terms of Coverage	Service Location	RSS Covered
Drug Courts SAMHSA ATR Funding Texas	Texas residents who meet one of the following criteria: used methamphetamine in the past 90 days and involved with a participating drug court, or live in participating county and are pregnant, IV drug user, on probation, or involved with child protective services	Services are authorized for 30 days maximum at a time. Vouchers expire after 6 months.	Participating drug courts in the following counties: Bexar, Brooks, Burnet, Collin, Dallas, El Paso, Fort Bend, Grayson, Harris, Harrison, Jim Wells, Lubbock, McLennan, Potter, Randall, Tarrant, Taylor, and Travis	Services include individual recovery coaching, spiritual support groups, life skills group, relapse prevention groups, recovery support groups, drug-free transitional housing, educational training, employment coaches, transportation, and child care services.
Drug Courts Department of Justice Funding California	Services are provided annually to a minimum of 30 drug court participants involved in treatment for methamphetamine use.	Services are available up to 1 year based on individual plans.	San Mateo County	Services include case management, recovery support, contingency management, and aftercare services.
Private Funding Wyoming	Anyone in need of support services	Services are available for the duration needed.	There are 53 small local providers located throughout the State serving all but the western part of the State.	Services include family services, child care, employment coaching, transportation, supportive transitional drug-free housing, relapse prevention, spiritual support, HIV/AIDS education, GED preparation, peer coaching and mentoring, and drug-free social activities.
Private Funding Rhode Island	Individuals who have disengaged or have not completed treatment at one of the participating agencies will be considered for inclusion in the continuing care level of care.	Services are available for a 24-month period.	Services are available at three treatment providers: NRI Community Services, Family Resources Community Action, and Gateway Healthcare.	Services include ongoing risk assessment, recovery action planning, and case management.

## REPORT FINDINGS AND POLICY RECOMMENDATIONS

Recovery support services (RSS) are an essential array of services that provide individuals working toward and sustaining recovery from substance use conditions the support they need. The availability and delivery of RSS such as those related to housing, education and job training, transportation to and from treatment, case management, peer support, and other services improve the likelihood of successful, long-term recovery.<sup>87</sup>

### Findings

Based on the analysis of funding streams for RSS, the findings are as follows:

- States and providers use a number of different Federal, State, and local funding streams to finance RSS.
- Some funding sources for RSS are more stable than others. Federal discretionary programs, such as SAMHSA's Access to Recovery (ATR) program and Recovery Community Services Program (RCSP) and the Department of Justice's (DOJ's) drug court program, require annual appropriations by Congress and are not always reliable sources of funding. Block grants and entitlement programs, such as the Substance Abuse Prevention and Treatment (SAPT) Block Grant and Medicaid, are typically more stable sources of funding.
- Although RSS are allowable uses of funds for a number of stable Federal funding streams, it is not widely known that the laws and regulations governing these funding streams allow funds to be used for RSS.
- Although certain support services are known in the prevention, treatment, and recovery field as RSS, these services are known and funded in other areas of health care and in social service fields as wraparound services or other types of supports.
- Several States use more than one funding source to finance RSS.
- Increasingly, more funding sources are allowing reimbursement for RSS.

### General Recommendations

To strengthen support for RSS throughout the continuum of care, appropriate Federal agencies, including SAMHSA, should educate States and treatment and recovery support service providers about funding sources currently available to fund RSS. RSS can be funded through a number of current Federal funding streams. Although the legal authority to utilize a number of funding streams (including several through SAMHSA, Centers for Medicare and Medicaid Services [CMS], and DOJ) for RSS does exist, it does not appear to be widely understood that RSS are allowable uses of these funds.



To improve understanding and ensure that funding streams for RSS that are already in place are fully utilized, SAMHSA and other Federal agencies should develop strategies and activities to educate and provide outreach to the field about current authority to fund RSS. Additional work should be done to make the necessary statutory and regulatory changes to allow States greater authority and flexibility to provide RSS. Funding for support services should be increased through appropriations, and additional policy reforms should occur so that RSS are available throughout the continuum. Although several existing funding streams are utilized for RSS, in many cases funds are not used for these purposes. The severe underfunding of the full continuum of drug and alcohol programming creates competition for scarce resources and contributes to RSS not receiving sufficient funding.

More specific recommendations are organized by short-term and long-term actions and are shown below:

#### Short-Term Recommendations

- SAMHSA should develop an RSS funding guide. The guide should detail which funding streams are available; which laws and regulations provide authority to finance RSS; which services are funded; the definition of the services; average service rates; how to access available funding streams; how to combine funding streams; and to whom, the location, and how RSS are delivered, and for what period of time.
- SAMHSA should clarify how the SAPT Block Grant can be used to fund RSS and provide this guidance to the States. By issuing further guidance, SAMHSA can ensure that RSS can be financed with SAPT Block Grant funds to engage and maintain individuals in treatment and to support posttreatment in their recovery.
- SAMHSA and CMS should work together to provide guidance and clarification to State officials regarding how Medicaid can be used to fund RSS.
- SAMHSA should work with DOJ to educate providers about existing authority to fund RSS through DOJ programming, including through the Federal Drug Court Discretionary Grant Program and the recently authorized Second Chance Act reentry legislation.<sup>88</sup>

#### Long-Term Recommendations

- States and localities should be given greater authority to administer and fund RSS. Where necessary, States and localities should amend the enabling legislation of State alcohol and drug agencies to provide them the authority to define, certify, train, and fund RSS. Model legislation, certification standards, and research documenting and supporting the value of RSS should be disseminated to States so they may benefit from other successful efforts.

- Drug courts should be encouraged to better incorporate RSS into their treatment programs. Funding should be specifically targeted to support RSS through the drug court system, and outreach should be conducted to educate drug court officials about available resources.
- SAMHSA should compile model legislation that appropriates funding for RSS so that States can use it as they develop their own legislation.
- National health care reform represents an opportunity for better coverage and improved access to the full continuum of services for people with substance use conditions. By mandating coverage of services and treatment for substance use conditions in all public and private health insurance plans through health care reform, funds may become available for RSS through current safety net programs, such as the SAPT Block Grant.
- Additional research is needed that demonstrates the importance of RSS in helping people to enter into and remain in long-term recovery. Studying the effectiveness and cost savings associated with RSS and broadly disseminating this information would further illustrate the need for adequate RSS funding.
- Although private foundations and industries donate millions of dollars to improve public health, there has not been a significant private investment in helping people enter into long-term recovery and in making RSS more widely available. The Wyoming experience and other models of private funding of RSS should be studied and findings should be reported to provide the private sector with better information about how components of these successful projects might be replicated.



### ENDNOTES

- <sup>1</sup> Legal Action Center. (2008). *Recovery support services resource package*.
- <sup>2</sup> States must “disregard,” or not count, certain types and amounts of family income and resources (if the State chooses to consider resources). At a minimum, States are required to use the same disregards that were in place on July 16, 1996, and disregard a family’s income from certain types of Federal benefits, such as Low Income Energy Assistance payments. States may choose to disregard additional amounts or types of income. For example, many States disregard a child-care allowance of \$175 per month for each child under 2 years old who is in child care. Also, in almost all States, the first \$50 of child support payments is disregarded. Finally, some States have also chosen to disregard certain amounts of income—such as all income between 100 percent of the Federal Poverty Level (FPL) and 150 percent of the FPL. In effect, these deductions and disregards raise the income limit and allow more individuals to become Medicaid eligible.
- <sup>3</sup> Such services include detoxification, inpatient and outpatient hospital services, prenatal care, and physician services. One of the mandatory Medicaid benefits for children and young adults is Early and Periodic Screening, Diagnosis, and Treatment (EPSDT), a very comprehensive set of benefits and services, including health screenings, treatment for conditions identified during screenings, and care coordination. This includes addiction treatment and recovery support services as determined by the State in the State plan.
- <sup>4</sup> SMDL [State Medicaid Director Letter] #07-011. (2007, August 15). Retrieved from <http://www.cms.hhs.gov/SMDL/downloads/SMD081507A.pdf>
- <sup>5</sup> 42 CFR §440.130.
- <sup>6</sup> Medicaid benefits database as of October 2006.
- <sup>7</sup> Crowley, J.S., & O’Malley, M. (2007, August). *Medicaid’s rehabilitation services option: Overview and current policy issues*. Kaiser Commission on Medicaid and the Uninsured.
- <sup>8</sup> Corporation for Supportive Housing and Technical Assistance Collaborative, Inc. (2008, July). *Leveraging Medicaid: A guide to using Medicaid financing in supportive housing*, p. 16.
- <sup>9</sup> *Ibid.*, p. 17.
- <sup>10</sup> O’Brien, J. (2005). The Medicaid rehabilitative services (“rehab”) option. *Community Living Briefs, Volume 3, Issue 2*. ILRU Community Living Partnership, National State-to-State Technical Assistance Center.
- <sup>11</sup> Information on Medicaid State waivers retrieved from [http://www.cms.hhs.gov/MedicaidStWaivProgDemoPGI/04\\_Section1915\(b\)Authority.asp](http://www.cms.hhs.gov/MedicaidStWaivProgDemoPGI/04_Section1915(b)Authority.asp)
- <sup>12</sup> Deficit Reduction Act, P.L. 109–171.
- <sup>13</sup> Corporation for Supportive Housing and Technical Assistance Collaborative, Inc. (2008, July). *Leveraging Medicaid: A guide to using Medicaid financing in supportive housing*, pp. 26-27.
- <sup>14</sup> *Ibid.*, p. 27.
- <sup>15</sup> National Association of State Alcohol and Drug Abuse Directors. (2009, June). *Fact sheet: Substance Abuse Prevention and Treatment (SAPT) Block Grant*. Retrieved from [http://www.nasadad.org/resource.php?base\\_id=1756](http://www.nasadad.org/resource.php?base_id=1756)
- <sup>16</sup> The SAPT Block Grant was established by the ADAMHA Reorganization Act of 1992 (P.L. 102–321). It was most recently amended by Congress through the Children’s Health Act of 2000 (P.L. 106–310). Administrative rules governing the SAPT Block Grant, in 45 CFR Part 96, were published in the *Federal Register* on March 31, 1993, and January 19, 1996.

- 17 P.L. 111–8.
- 18 P.L. 106–310; see also National Association of State Alcohol and Drug Abuse Directors. (2009, June). *Fact sheet: Substance Abuse Prevention and Treatment (SAPT) Block Grant*. Retrieved from [http://www.nasada.org/resource.php?base\\_id=1756](http://www.nasada.org/resource.php?base_id=1756)
- 19 P.L. 106–310.
- 20 Ibid.
- 21 P.L. 106–310 Section 300x-34, Definitions.
- 22 P.L. 106–310 Section 300x-28(c), Coordination of Various Activities and Services.
- 23 45 CFR Part 96, Interim Final Rule, as published in the *Federal Register*, Volume 58, Number 60, on March 31, 1993.
- 24 Ibid.
- 25 P.L. 106–310, Section 300x-25, Group Homes for Recovering Substance Abusers.
- 26 Ibid.
- 27 Access to Recovery (ATR) grants. Retrieved from <http://atr.samhsa.gov/>
- 28 Ibid.
- 29 Ibid.
- 30 Ibid.
- 31 Recovery Community Services Programs. Retrieved from <http://rcsp.samhsa.gov>
- 32 Ibid.
- 33 Ibid.
- 34 Ibid.
- 35 P.L. 110–161, P.L. 111–8.
- 36 Temporary Assistance for Needy Families (TANF) Program Final Rule. Retrieved from [http://www.acf.hhs.gov/programs/ofa/law-reg/finalrule/tanf\\_final\\_rule.htm](http://www.acf.hhs.gov/programs/ofa/law-reg/finalrule/tanf_final_rule.htm)
- 37 Ibid.
- 38 Ibid.
- 39 Hubbard, R., Marsden, M., Rachal, J., Harwood, H., Cavanaugh, E., & Ginzburg, H. (1989). *Drug abuse treatment: A national study of effectiveness*. Chapel Hill: University of North Carolina Press.
- 40 Bureau of Justice Assistance. (2004). *Defining drug courts: The key components*. Retrieved from <http://www.ojp.usdoj.gov/BJA/grant/DrugCourts/DefiningDC.pdf>
- 41 Heck, C., & Roussell, A. (2007, December). State administration of drug courts: Exploring issues of authority, funding, and legitimacy. *Criminal Justice Policy Review*, 18, 418–433.
- 42 Substance Abuse and Mental Health Services Administration grants to expand substance abuse treatment capacity for adult drug courts. RFA No. TI–09–003. Retrieved from [http://www.samhsa.gov/Grants/2009/ti\\_09\\_003.pdf](http://www.samhsa.gov/Grants/2009/ti_09_003.pdf)
- 43 Ibid.

- 44 Bureau of Justice Assistance. (2004). *Defining drug courts: The key components*. Retrieved from <http://www.ojp.usdoj.gov/BJA/grant/DrugCourts/DefiningDC.pdf>
- 45 Ibid.
- 46 Information on New Mexico Comprehensive Community Support Services retrieved from <http://www.bhc.state.nm.us/bhccollaborative/compcommsupportservices.html>
- 47 Arizona Department of Health Services, Division of Behavioral Health Services. (2007, April 1). *Covered behavioral health services guide*. Version 6.1. Retrieved from [http://azdhs.gov/bhs/bhs\\_gde.pdf](http://azdhs.gov/bhs/bhs_gde.pdf)
- 48 Arizona Department of Health Services. *Continuum of substance abuse treatment services*. Retrieved from <http://azdhs.gov/bhs/saptgoal1.pdf>. See also endnote 47.
- 49 Community Partnership of Southern Arizona. Regional Behavioral Health Authority. *The Recovery Support Specialist (RSS) Institute*. Retrieved from [http://w3.cpsa-rbha.org/docs/RecoverySupportSpecialist\(RSS\)Institute\(11-16-09\).pdf](http://w3.cpsa-rbha.org/docs/RecoverySupportSpecialist(RSS)Institute(11-16-09).pdf)
- 50 Due to budget constraints, Arizona ended coverage for parents currently enrolled in the Health Insurance for Parents Program on October 1, 2009. This program covered parents with income between 100 percent and 200 percent of the FPL and reduced income eligibility limits for parents to 100 percent of the FPL.
- 51 Childless adults in Arizona are eligible under a section 1115 waiver. The waiver limits enrollment to 27,000 individuals and total expenditures are limited to available State Children’s Health Insurance Program (SCHIP) funds. The benefits package is the same as the benefit package in place in the existing SCHIP program, and many of the RSS available to the general Medicaid population in Arizona may not be available to this expansion population. Due to budget constraints in Arizona, the State is currently considering significant cuts to this expansion program.
- 52 Georgetown University Health Policy Institute Center for Children and Families. State Resource Center: Arizona. Retrieved from <http://ccf.georgetown.edu/index/az-programfacts>; see also <http://www.statehealthfacts.org>
- 53 Community Behavioral Health. The system at a glance: Philadelphia’s behavioral health system. Retrieved from <http://www.phila-bhs.org/glance.html>
- 54 Ibid.
- 55 Ibid.
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- 57 According to the Iowa State Medicaid Plan, “People with mental disorders resulting from Alzheimer’s disease or substance abuse shall not be considered chronically mentally ill.” Eligibility criteria in Iowa under 1915(i), retrieved from <http://www.ime.state.ia.us/docs/HCBSbrochure102606.pdf>
- 58 Iowa Medicaid Enterprise. HCBS Habilitation Services Program: Frequently asked questions. Retrieved from <http://www.ime.state.ia.us/HCBS/HabilitationServices/faq.html>
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