

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL

Formula Workgroup Minutes September 6, 2006 Meeting

In Attendance: Lori Albin, Susan Bergmann, Lori Brewster, Adam Brickner, Terry Brown, Tom Cargiulo, Candace Cason, Chris Delaney, Alan Friedman, Joy Gill, George Hardinger, Dawn Levinson, Peter Luongo, Betty Malkus, Frances Phillips, Simon Powell, Kathy Rebbert-Franklin, Judith Sachwald, David Treasure, Karen Winkowski, Carol Wise, Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order 12:35 p.m.

II. New Business

- **The Task:** Suzan Swanton presented the task of the group as stated in the budget amendments in the *Joint Chairmen's Report – Operating Budget, 2006 Session* (page 100). In this document, the General Assembly tasked the State Drug and Alcohol Abuse Council (who established this workgroup to complete the task) with the development of a formula for the allocation of all alcohol and drug abuse prevention and treatment funds distributed by the Alcohol and Drug Abuse Administration (ADAA) to local jurisdiction. The budget language noted that several issues are to be considered in the development of this formula including: the need to equitably fund prevention and treatment funds in all jurisdictions; holding jurisdictions harmless from the impact of any developed formula; properly accounting for the benefits that accrue from regional-based treatment provided by a single jurisdiction; and identifying the funding necessary to appropriately phase-in the formula by FY 10. The formula, together with an implementation timeline of no later than FY 10, is to be given to the General Assembly by February 1, 2007.
- **Past and Current Use of Formulae in Maryland:** Peter Luongo, Director of ADAA informed the work group of the history of the use of formulae in Maryland. He discussed the formula that was developed in 2001 in response to a request by the General Assembly. This formula was not implemented at that time but was revisited in 2003 in response to another request in that year's Joint Chairmen's Report. In FY 04, funds that were designated as "regional needs money" were distributed using this formula. Dr. Luongo referred the workgroup to the response to the 2003 Joint Chairmen's Report which is published on ADAA's website: www.maryland-adaa.org. The formula and an explanation of the variables used can be found on pages 8-9 in this document.
- **The Use of Formulae in Funding Allocations:** John Carnevale of Carnevale Associates presented information on using formulae in funding allocation schemes. Included in his presentation (attached) was basic information about formulae, "holding harmless" and budget options, equity considerations,

considerations on dealing with regional-based treatment/prevention services, and the previous formula developed in 2001.

- **Over the next meetings, the workgroup will have to decide on several issues pertaining to the formula. Some of these are:** what the concept of “hold harmless” will mean in this instance and how it will be implemented; what variables should be considered and how each should be weighted; and, how funding will be needed to appropriately phase-in the formula by FY 2010.
- **It was recognized that the development of the formula is a topic of much concern in the substance abuse prevention, intervention and treatment community.** A great deal of discussion will be held and information considered before any vote or final decisions will be made about the formula. The Chair emphasized that, when discussing the workgroup proceedings with colleagues, members of the work group and the public in attendance should stress that the formula is in the developmental stages and nothing is final yet.
- **Prevention and Treatment:** While not voted on, the consensus of the workgroup appears to be that there should be a separate formula for the allocation of treatment and prevention funds. **This was not voted on and is not a final decision.**
- **Demonstration of Impact of Formula:** John Carnevale will develop and distribute a spreadsheet showing FY 07 allocations to each jurisdiction as they are and as they would have been if the formula developed in 2001 had been applied. A member also suggested that we should consider allocation of funds on a per capita basis. This will be included. **These spreadsheets are only demonstrations of impact. No formula has been developed to present to the General Assembly yet.**
- **Proxy Variables and Weights:** A general discussion was held regarding which variables would best demonstrate need and increase the likelihood of equitable distribution of funds to jurisdictions, which others could be used to support other goals (i.e., “incentive” variables), and how individual variables should be weighted. **This was a general, brainstorming discussion and no variables have been selected yet.**

III. New Business

None

IV. Future Meetings

- a. **October 17, 2006** – 12:30 p.m. – 2:30 p.m. (Location: ADAA, OETAS training room, Spring Grove State Hospital [map attached])
- b. **November 8, 2006** – 12:30 p.m. – 2:00 p.m. (Location: Rice Auditorium, Spring Grove State Hospital)
- c. **December 6, 2006** – 12:30 p.m. – 2:00 p.m. (Judiciary Training Center, Annapolis, Maryland [map attached])

V. Adjournment

The meeting was adjourned at 2:15 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL

Formula Workgroup Minutes October 17, 2006 Meeting

In Attendance: Lori Albin, Susan Bergmann, Lori Brewster, Adam Brickner, Terry Brown, Tom Cargiulo, Candice Cason, Chris Delaney, Alan Friedman, Dawn Levinson, Peter Luongo, Betty Malkus, Frances Phillips, Simon Powell, Marty Pusey, Kathy Rebbert-Franklin, David Treasure, Karen Winkowski, Carol Wise, Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order 12:35 p.m.

II. Approval of Minutes

The minutes of the September 6, 2006 meeting were approved as amended. Times of next meetings were corrected to read "12:30-2:00."

III. Old Business

- **Presentation by Carnevale and Associates: "Formula Allocation Options"**

- **Variables:** The stated purpose of the presentation was to inform the workgroup about the complex nature of variables and to stimulate discussion from the workgroup as to what variables best represent an approximation of the problems and can be used as proxy variables to measure need. It was pointed out that the decision as to which ones to include and how to weigh each of them in a formula is a subjective one. It was emphasized that it isn't just the best variable to estimate need that should be used in the formula, but the best variable that can be accurately measured using an existing, consistently reliable database.

Possible variables were presented that were divided into those that would indicate scope of the problem and those that would indicate consequences of the problem. For drug use (scope of problem) in prevention, possible variables would be: youth population, incidence, risk/protective factors and prevalence. For drug use (scope of problem) in treatment, possible variables would be: prevalence or addiction level, number seeking treatment, and treatment admissions. Crime can be used to measure consequence of the problem and variables may include: drug arrests, DUI/DWI arrests, and property crime. Another measure of consequence is health and variables may include: STDs, HIV, Emergency Room activity, and Deaths. Finally, impact on the community such as dropout rates, homelessness, productivity, living conditions, and employment status can be used as variables.

- **"Hold harmless":** One of the considerations noted by the budget language is that jurisdictions should be "held harmless" from the impact of any formula. This is understood to mean that a benchmark

year will have to be designated and jurisdictions would not receive less money than the amount they were allocated in that year, regardless of how they fair when the formula is applied. After applying the formula, some jurisdictions may appear to be over-funded. They will not lose any money. On the other hand, some will appear as under-funded and they should receive more money. How we “hold harmless” jurisdictions that would lose money under a formula is an important issue and more money would be needed to do so. It was also emphasized that “holding harmless” is not only about losing/gaining money but also about losing/gaining service capacity.

- **Funds affected by the Formula:** All funds that are allocated for prevention and treatment services which come from the Alcohol and Drug Administration (ADAA) (Block grant, Cigarette Restitution Funds, etc.) are impacted by this formula.
- **Discussion from Work Group and Public In Attendance:** One of the first thoughts put forth for the group’s consideration was that, given that ADAA money is to be used for those who do not have insurance or cannot afford to access care, the formula could be as simple as using per capita data and a factor for poverty. Poverty level represents a fairly standard variable to assess barriers to access for other health care/medical problems. A distinction was made as to the use of poverty variables based on income and based on wealth. It was noted that wealth is a common measure used in Maryland for allocation of different kinds of aid. Some members felt that the difference between the number requesting services and the number of admissions needs to be understood and that, perhaps, the number seeking treatment is a more accurate statement of need than the number of admissions. A concern was voiced that some variables overvalue IV drug use, such as HIV prevalence, and should not be used. In some jurisdictions, greater health and economic impact is caused by alcohol and marijuana abuse. Other variables put forth for consideration were: mental health (perhaps using prevalence of co-occurring disorders as a variable), impact of drug and alcohol abuse on children (i.e., placement in foster care), prevalence rates (perhaps using the national prevalence rate of 8%), hepatitis rates, number of referrals, alcohol sales, and seasonal populations (i.e., Ocean City). Some prevention variables noted: number of children, incidence of first use, underage drinking citations, number of parents in treatment, number of parents incarcerated, number of senior citizens.

The members of the workgroup were very adamant that the database used to measure whatever variables were chosen needed to have their full confidence.

One member wanted the workgroup to review the percentage of the total amount of money available for allocation designated for prevention. The Chair, and another member, stated that this was not an appropriate task for the workgroup as the charge for it is to develop a formula for equitable allocation of funds to jurisdictions. The group has a limited amount of time in which to accomplish its task and cannot afford time to focus on issues not related to its

main task. It was suggested that this topic would be more appropriately addressed with the whole council.

- **Prevention and Treatment Formulas:** A discussion was held as to whether or not prevention and treatment should have different formulae. Some thought there should be one formula for prevention with its own specific variables and one for treatment with its relevant variables. Others believed that there should only be one formula as the variables are suppose to measure the scope and consequences of the problem in each jurisdiction, regardless of what intervention (prevention or treatment) is used to address it. It was noted that prevention variables used to approximate the problem should not focus exclusively a youth but also on adults and seniors.
- **Workgroup Members Tasks:** Recognizing that the workgroup has a lot of work to do between the date of this meeting and the date the formula report is due, it was suggested that those members who have ideas about what variables should be used, and want to develop a formula, can send them to the Executive Director. She will forward them to John Carnevale who will run the numbers using the formula given and distribute the resulting spread sheet. Mr. Carnevale also invited members to send him information about data bases in which they had confidence so he would use those numbers to run the formula.

IV. Motions

- **Resolved:** Prevention money and treatment money shall be calculated separately.
Voting Results: Motion carried

V. New Business

None

VI. Future Meetings

- a. **November 8, 2006** – 12:30 p.m. – 2:00 p.m. (Location: ADAA, OETAS training room, Spring Grove State Hospital)
- b. **December 6, 2006** – 12:30 p.m. – 2:00 p.m. (Judiciary Training Center, Annapolis, Maryland [map attached])

VII. Adjournment

The meeting was adjourned at 2:25 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL
Formula Workgroup Minutes
November 8, 2006 Meeting

In Attendance: : Susan Bergmann, Jim Brenneman, Lori Brewster, Adam Brickner, Terry Brown, Tom Cargiulo, Candice Cason, Joy Gill, Diana Givens, George Hardinger, Betty Malkus, Frances Phillips, Simon Powell, Marty Pusey, Kathy Rebbert-Franklin, Josh Sharfstein, Craig Stofko, David Treasure, Karen Winkowski, Carol Wise, Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order 12:35 p.m.

II. Approval of Minutes

The minutes of the November 8, 2006 meeting were approved as amended.

III. Old Business

- **Presentation by Carnevale Associates concerning changes in 11-8-06 version of “Formula Options to Allocate ADAA’s Treatment and Prevention Resources among Maryland’s Jurisdictions”:** John Carnevale and Erika Ostlie discussed the changes found in the current draft of the report. Discussed databases that were used and the rationale for using them (see appendix of report for details.) They reviewed the structure of the report and again emphasized that “hold harmless” is about maintaining service delivery capacity.
- **Discussion from Work Group and Public In Attendance:**
 - Court Ordered Treatment: Issues concerning the cost and need for adequate availability of treatment slots, particularly residential, for court referred clients, including those referred pursuant to 8-507, were raised. Several points were discuss: should there be a variable to indicate this treatment need in the formula (other than the crime cluster) or should these treatment slots be prioritized in each jurisdiction’s strategic plan; and, should this treatment need be funded by earmarked money to support it, not subject to the formula; are these treatment slots appropriately funded through local or state dollars.
 - Regional and Statewide Money: Several jurisdictions maintain that the award amounts for their county noted in the recent draft of the report continues to include regional or statewide money that should not be subject to the formula. Members want to review the use of these statewide/regional slots (who uses them and how are they populated) and whether their usage should or should not impact on the formula.
 - Variables: Several topics were considered:
 - Poverty variable: should the variable for poverty be simple poverty, wealth, or extreme poverty.
 - Crime variable: which crimes are most correlated with substance use: drug arrests/DWI, property crimes, violent crimes, domestic violence, etc?
 - Rate vs. percentage of entire state problem found in each jurisdiction: Which measure should be used in a formula to allocate state funds?
 - Variable bias: It was pointed out that some variables used as indicators may show a bias. For instance, DWI arrests may be less prevalent in urban areas where public transportation is readily accessible. Like wise, if jurisdictions have more law

enforcement resources, they may have more DWI arrests than others with less. In neither case, would this mean that either jurisdiction has more or less of an alcohol abuse problem than other jurisdictions.

- Population: Any formula developed must be able to account for the shifting populations' numbers and profiles that many jurisdictions are experiencing.
- Simple Formula v Cluster Formula: The strengths and weaknesses of the simple v. the cluster formula model were explored. On one hand there is value in simplicity with readily transparent variables that are associated public, accessible databases used in other allocation formulae for public dollars; on the other hand, the use of clusters of social indicators more precisely measure the problem in each jurisdiction.
- Hold Harmless: Questions about the meaning of "hold harmless" were raised. At present, and barring any contradictory information, the meaning of "hold harmless" is that no jurisdiction can be harmed fiscally or through loss of service capacity as a result of the formula.
- Definition of Need: The working definition of "need" was discussed. It was posited that "need" should include not just the estimate of treatment need or prevalence of the problem, but also include a severity factor (i.e., the lethality of the substances of choice and/or the gravity of the social consequences of those substances of abuse, such as the resulting increase in HIV, HCV or other health problems.
- Estimate of Need: Much dissatisfaction concerning the methodology used by ADAA to estimate treatment need was expressed. Other recognized methods are very expensive and cumbersome to calculate. Ways to improve Maryland's method or dropping this variable from the formula will need to be explored.

IV. Motions

None

V. New Business

None

VI. Future Meetings

- a. **December 6, 2006** – 12:30 p.m. – 2:00 p.m. (Judiciary Training Center, Annapolis, Maryland)
- b. **November 27, 2006** – 12:30 p.m. – 2:30 p.m. (Location: ADAA, OETAS training room, Spring Grove State Hospital)

VII. Adjournment

The meeting was adjourned at 2:15 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL

Formula Workgroup Minutes December 6, 2006 Meeting

In Attendance: Susan Bergmann, James Brenneman, Lori Brewster, Adam Brickner, Terry Brown, Tom Cargiulo, Joy Gill, Dawn Levinson, Betty Malkus, Frances Phillips, Simon Powell, Marty Pusey, Joshua Sharfstein, Craig Stofko, David Treasure, Karen Winkowski, Carol Wise, Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order 12:35 p.m.

II. Approval of Minutes

The minutes of the November 27, 2006 meeting were approved.

III. Introductory Comments and Agenda

- **The Chairperson made the following announcements:**
 - The Alcohol and Drug Abuse Administration does not have to approve the Formula. ADAA, as a member of the Formula Workgroup has one of 24 votes. The Formula Workgroup's report will be reviewed by the State Drug and Alcohol Abuse Council who will then send it directly to the Budget Committees. While ADAA is a member of the Council, it is a non-voting member and, therefore, does not have right of approval.
 - The Chair invited members to stay for the Council meeting, which follows the Workgroup meeting, to testify before the Council.
- **Agenda:**
 - Decisions concerning the nature and content of the report to be sent to the General Assembly, the content of the cover letter, and the length of the extension to be requested need to be made today.
 - Reminder that if new money is allocated during the legislative session it would be allocated under the current formula in the absence of the new one.
 - Should a new report need to be written the following timeline will need to be in effect:
 - December 20: First draft of interim report distributed to Workgroup for comments
 - December 21: Meeting for comments and revisions to draft report (those who cannot attend may submit comments by email.)
 - January 4: Final draft of report approved by Workgroup
 - January 11: Final draft of report goes to Council for review
 - January 18: Final draft of report approved by Council
 - January 23: Report to printers
 - February 1: Report to General Assembly

- **Formula Development**
 - After the report goes to the Council, it will be necessary for the Workgroup to determine the most efficient method of proceeding with formula development. Several broad issues need to be voted on and established. After this, the Workgroup needs to decide which would be the best way to proceed: establish small workgroups who would work on different issues (i.e., a group on crime to determine which indicators, variables and databases are best to use.) and report back to the larger group; or designate one or more issues per meeting to be discussed, or other options.

IV. Old Business

- **Presentation by Carnevale Associates concerning changes in 12-5-06 version of “Formula Options to Allocate ADAA’s Treatment and Prevention Resources Among Maryland’s Jurisdictions”:** John Carnevale and Erika Ostlie discussed the changes found in the current draft of the report. It was noted that changes to the allocation tables were the result of use foster care data in the formula. Other issues discussed included: the need for further work on the Prevention formula; the critical nature of “hold harmless” in protecting those jurisdiction that would lose money and in preserving current service capacity; and issues concerning the use of rates vs. percentages in the formula. It was also noted that, while the literature supports the use of formulae, no one formula is perfect and not everyone will be happy with it. The data for several suggested indicators have still not been received and, therefore, could not be incorporated in the formula. These include overdoses/drug-related deaths by jurisdictions, parole and probation data, and ADAA prevention funds target toward adults.
- **Discussion from Work Group and Public In Attendance:**
 - General: It was clarified that all the variables used as crime indicators were weighed equally in the formula found in the 12-6-06 report.
 - Content of Report to be submitted to Legislature on 2-1-07: It was decided not to submit the report completed by Carnevale Associates to the General Assembly but rather to use it as a foundation for further work. The members felt that the report we submit should elucidate the work done thus far, the complicated nature of the task, and the inability to complete the task as some important data has not yet been received.
 - Deadline: After a discussion in which some members did not want to set a deadline, it was decided that the Workgroup would request an extension to July 1, 2007, at which time our goal will be to have a final report completed.
 - Application of Formula and base funding: Discussion was held concerning how the formula was to be applied: to all new money, to current money, to current money less the amount of base funding for each jurisdiction, to current money less the amount of money designated for infrastructure support. No decision was made, but elements of the discussion are to be part of the report to underscore the complexity of the task at hand.

- Hold Harmless: Discussion about the importance of hold harmless in protecting the current service delivery system and the need to ask the legislature for clarification of its intent concerning the “hold harmless” clause.
- Definition and Estimate of Need and Treatment Need: More discussion was held on the current method used by ADAA to determine jurisdictional need for treatment. General dissatisfaction with the methodology continues to be expressed, with some members believing that this variable should be eliminated from an allocation formula. Additionally, more discussion was held on how to define need: which indicators best capture “need” and which variables and databases should be used to operationalize those indicators.
- Cluster model vs Simplified Formula: Some members put forth that the cluster model currently being considered, with its use of social indicators such as crime, health and environmental factors, is not the best way to allocate money. These variables measure consequences of drug abuse and may or may not assist in an understanding of how much need a jurisdiction may have for treatment. Additionally they argue that these indicators are measures of consequences of substance abuse and ADAA money is meant to fund treatment of substance abuse and not the consequences of substance abuse.

V. Motions

- **Resolved:** Report submitted by Carnevale Associates should not be submitted to legislature.
Voting Results: Motion carried
- **Resolved:** The Workgroup will submit an interim report to the General Assembly by February 1, 2007 informing them of its progress in formula development.
Voting Results: Motion carried
- **Resolved:** The Workgroup will request that the General Assembly grant an extension to July 1, 2007 with the goal of submitting a final report on the development of an allocation formula at that time.
Voting Results: Motion carried

VI. New Business

None

VII. Future Meetings

- a. **December 21, 2006** – 12:30 p.m. – 2:30 p.m.((Location: ADAA, OETAS training room, Spring Grove State Hospital)
- b. **January 4, 2006** – 12:30 p.m. – 2:30 p.m.((Location: ADAA, OETAS training room, Spring Grove State Hospital)
- c. **February 8, 2006** -12:30 p.m. – 2:30 p.m.((Location: ADAA, OETAS training room, Spring Grove State Hospital)

VIII. Adjournment

The meeting was adjourned at 2:25 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL
Formula Workgroup Minutes
December 21, 2006 Meeting

In Attendance: Mary Clare Brett, Lori Brewster, Adam Brickner, Tom Cargiulo, Tracey Kubinec, Pete Luongo, Frances Phillips, Marty Pusey, Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order 12:35 p.m.

II. Approval of Minutes

The minutes of the November 8, 2006 and the December 6, 2006 meetings were approved.

III. Old Business

• **Changes to the Draft Interim Report of 12-19-06:**

- Changes and suggestions submitted by members via email were reviewed. All approved changes will be incorporated into the report.
- Changes and suggestions submitted by Workgroup members present were reviewed and all approved changes will be incorporated into the document.

• **Cover Letter: The cover letter will contain the following points:**

- The difficult nature of the task
- The anticipated completion of the task by July 1, 2007
- Request to release the \$100,000 of ADAA's appropriation.

• **Public in Attendance:** No changes to the report were suggested.

• **Future meetings:** The next meeting will be on January 4, 2007 at 12:30 at the ADAA building. The agenda will be final approval of the report. Members felt that there would be no need for another workgroup meeting in January, but that the Council should be asked if they wanted Workgroup members present at their January 11, 2007 meeting to answer question.

IV. Motions

None

V. New Business

None

VI. Future Meetings

- a. **January 4, 2006** – 12:30 p.m. – 2:30 p.m. (Location: ADAA, OETAS training room, Spring Grove State Hospital)
- b. **February 8, 2006** -12:30 p.m. – 2:30 p.m. (Location: ADAA, OETAS training room, Spring Grove State Hospital)

VII. Adjournment

The meeting was adjourned at 2:25 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL

Formula Workgroup Minutes

January 4, 2007

Respondents: Susan Bergmann, Lori Brewster, Adam Brickner, Terry Brown, Thomas Cargiulo, Joy Gill, Diana Givens, George Hardinger, Dawn Levinson, Peter Luongo, Betty Malkus, Frances Phillips, Kathy Rebbert-Franklin, Joshua Sharfstein, Craig Stofko, Carol Wise.

I. Call to Order

No meeting was held on this day but a vote to accept or reject the 1/02/07 draft of the interim report was taken by email and phone calls.

II. Approval of Minutes

No minutes were approved

III. Old Business

The following email was sent to members:

Formula Workgroup Members:

Attached is the most recent draft of the interim report. I received only one change suggestion since I sent out the 12-26-06 version of the draft. The attached version has all of the previous voted changes accepted into the body of the document. The change received on 12/27/06 is on page 3 and is seen in the "track changes" mode. This change is in keeping with the tone of the discussion by members at the 12/21/06 meeting for this particular paragraph so I don't anticipate any problems with it. Because of this, I believe this will be the final version. More changes can be made, but they must be made in writing and by noon tomorrow (1/3/07).

There is a workgroup meeting on 1/4 at 12:30 at the OETAS training room at ADAA. The sole purpose of this meeting is to vote on the report. Anyone who will not be in attendance may vote to accept/reject the report by email or phone no later than 1/4/07 at 4:00 pm.

The next Workgroup meeting will be on 2/8/07 at 12:30 at ADAA. Sometime next week I will send you a "Work Plan" that will list critical decisions that have to be made, time lines for those decisions, and suggested methods of accomplishing the tasks (i.e., members work on specific issues in small groups, report their decisions to the whole group for vote.)

Subsequent to this email, I received several suggestions from members to take an email/phone vote and not have the meeting. Given this, I sent the following email to all members:

Several members have suggested that we do an email vote rather than meeting. If a majority agrees to the report then there would be no need for the meeting. We would meet only if there are issues.

So, I am asking you to vote to accept or reject the report as it is written (1-2-07) version, inclusive of the 12/27/06 suggested change. Please do so by email (preferred) or phone by noon tomorrow. I will let everyone know the results.

As of 3:00 p.m. on January 4, 2007, 16 of the 23 voting members had voted. Fifteen of them voted to accept the report. As this was a majority, the 1/2/07 draft of the interim report will be sent to the Council to be given to the General Assembly.

It should also be noted that, in addition to the above emails, members were called and reminded to submit their votes.

IV. Motions

- **Resolved:** The January 2, 2007 draft of the interim report will be given to the Council to be forwarded to the General Assembly.
Voting Results: Carried

V. New Business

None

VI. Future Meetings

- a. **February 8, 2007** -12:30 p.m. – 2:30 p.m.((Location: ADAA, OETAS training room, Spring Grove State Hospital)
- b. **March 8, 2007** -12:30 p.m. – 2:30 p.m.((Location: ADAA, OETAS training room, Spring Grove State Hospital)
- c. **April 12, 2007** -12:30 p.m. – 2:30 p.m.((Location: ADAA, OETAS training room, Spring Grove State Hospital)

VII. Adjournment

N/A

FORMULA WORKGROUP: TASKS AND TIMELINES

Below is a summary of the most salient issues that need to be discussed by the Workgroup. If there is an issue not mentioned, it can be added at the 2/8/07 meeting.

PROCESS

There are two processes we will use to address and decide on the issues noted: Workgroup and Sub-group.

1. **Workgroup:** In this process, issues will be discussed by the whole workgroup, a motion made and vote taken.
2. **Sub-Group:** In this process, small sub-groups will discuss issues, make decisions and vote on a recommendation to be made to the Formula Workgroup. Recommendations will be made in the form of a motion. The Formula Workgroup will then discuss the motion and vote on whether or not to accept it. Workgroup members who are not members of a particular subgroup may convey their thoughts on the topic being addressed to the chairperson of the sub-group.

FEBRUARY 8, 2007 MEETING

At the February 8, 2007 meeting, the Workgroup needs to reach decisions on the following issues:

1. What is our definition of “need” and how will it be operationalized in the formula?
2. Can we adopt a meaning of hold harmless or do we want to wait for the legislature?
3. Should an allocation formula for treatment use a cluster model or a simplified model?
4. Should an allocation formula for prevention use a cluster model or a simplified?

DECISION	PROCESS	DATE OF REPORT/ VOTE	PAGE
Definition of “need”	Workgroup	2/8/07	2
Meaning of “hold harmless”	Workgroup	2/8/07	3
Use of a simplified formula or cluster model for treatment	Workgroup	2/8/07	3
Use of a simplified formula or cluster model for prevention	Workgroup	2/8/07	4
If simplified formula for treatment, what variables would be used, how will they be weighted and which databases will be used?	Subgroups	7/07	4
If simplified formula for prevention, what variables would be used, how will they be weighted and which databases will be used?	Subgroups	7/07	5
If cluster model used for treatment/prevention: a. What social indicators should be used? b. How will each cluster/indicator be weighted?	a. Workgroup b. Subgroup	a. 3/07 b. 7/07	4, 5

c. What variables will be used in each of those indicators, how will the variables be weighted, and what database will be used to measure each variable?	for each cluster c. Subgroup	c. 7/07	
Use of accurate budget marks for each jurisdiction	Workgroup	7/07	5
Use and accessibility of statewide money and how that impacts on an allocation formula	Workgroup	8/07	6
Does court-ordered treatment impact on formula allocations and, if so, how?	Subgroup	8/07	6
How should the allocation formula be applied and to what money (new, old, earmarked, etc)?	Subgroup	8/07	7
How often should the formula be reviewed and how often should it be recalculated?	Workgroup	8/07	7
Should rates, percentages or percentages with a rate factor be used in calculating the formula?	Subgroup	8/07	8

ISSUE: DEFINITION OF NEED

Timeline: 2/8/07

Discussion:

1. The definition of need is critical to how we proceed in formula development as it should inform what variables we select to use in the formula.
2. The Joint Chairmen’s report does not mention “need” as a consideration but it is implied in their directive to consider the “need to equitably fund prevention and treatment services in all jurisdictions.”
3. The Carnevale Report mentions need a several occasions:
 - a. “Equity Considerations:...reflects the need for fairness in the allocation of...resources to jurisdictions. Fairness is grounded in the basic principle that equals should be treated equally.....this means that care must be taken to determine how one jurisdiction compares with another on the basis of its need to provide....services....All else being equal, one would presume that the formula would favor those jurisdictions with more need over those.. with less need....” (page 2)
 - b. “Need can be defined and measured ...depending on the outcome sought by the formula [needs for prevention services vs. needs for treatment services]...need is...defined by using indicators traditionally associated with substance abuse.[i.e., need is defined by indicators such as the need to reduce HIV, the need to reduce crime, the need to reduce DWI, etc.].
4. Discussions held by members suggest that:
 - a. The principles of “need” needs to be discussed by the workgroup and a consensus formed about the definition.

- b. The workgroup needs to determine if a definition of “need” should be developed in light of the severity of consequences caused by some drugs over others, i.e., overdoses, HIV, HCV, etc.

Decision: What definition of “need” will the workgroup embrace and how will that definition be operationalized?

ISSUE: DEFINITION OF “HOLD HARMLESS”

Timeline: 2/8/07

Discussion:

1. Carnevale has asserted that the usual meaning of “hold harmless” is that no jurisdiction can be harmed fiscally by losing service capacity as the result of an allocation formula.
2. We have asked the General Assembly for clarification of what it means by “hold harmless.”

Decision: Can we adopt a meaning of hold harmless or do we want to wait for the legislature?

ISSUE: FOR TREATMENT: SIMPLIFIED VS. CLUSTER MODEL FORMULA

Timeline: 2/8/07

Discussion:

1. Use of a cluster model formula: We have discussed the possibility of using a cluster model for the funding formula and reviewed several hypothetical formulae . Four principal social indicator clusters were used. These included environmental, crime, health and estimated treatment need. Within each social indicator area, several variables are used to create a “cluster” for that indicator. For instance, in the crime cluster, one hypothetical formula used property crimes (reported crimes and arrests), DWI/DUI arrests, and drug arrests.
2. Use of a simplified mode: Recognizing the national substance abuse prevalence rate of 8-10% and that ADAA funds are to be used to treat the uninsured, we have discussed using a simple formula based on some combination of population, poverty/wealth, and insured/uninsured factors. There is precedence for this in the public health arena as a number of grants awarded to local health departments are apportioned according to formulae which begin with a per capita amount and are then adjusted with a need factor. Additional points of discussion:

- a. the use of multiple related variables is redundant and, in many cases, repeatedly counts the same individuals;
- b. many of the issues discussed concerning which variables best measure the level of service provision needed by each jurisdiction, given the diversity of primary drug problems and socioeconomic and geographic profiles, would be rendered moot.
- c. simplicity is important for transparency and ease of the general public's understanding as to what constitutes a "equitable formula" and for formula implementation and calculation considerations in the future.

Decision: Should the allocation formula be a cluster model or simplified model?

ISSUE: FOR TREATMENT: VARIABLES/INDICATORS, WEIGHT, AND DATABASE

Timeline: 7/07

Discussion:

1. If we elect to use a simplified formula:
 - a. What indicators will we use?
 - b. What variables will we use to measure each indicator?
 - c. What weight will be given to each of the variables?
 - d. What database will be used to measure each variable?
2. If we elect to use a cluster model:
 - a. What indicators will we use?
 - b. What variables will be used to measure those indicators?
 - c. What database will be used to measure each variable?
 - d. What weight will be given to each of the variables?
 - e. What weight will be given to each of the clusters?

Decision: What indicators and variables will be used and how will they be weighted?

ISSUE: FOR PREVENTION: SIMPLIFIED VS. CLUSTER MODEL FORMULA

Timeline: 2/8/07

Discussion:

1. The Workgroup has decided that there should be a different formula for prevention than that for treatment.
2. The use of a cluster model: In one of the iterations of the Carnevale Report, a cluster prevention formula was shown using an Environmental cluster (variables: high

- school dropouts, poverty youth aged 0-7, and juvenile arrest rates), a Drug/Alcohol Cluster (variables: youth drug use), and Population cluster (variable: total youth population).
3. The use of a simplified model: In the final version of the report, based on some of the discussion held by the work group, only population was used in the formula/

Decision: Should a cluster model or simplified model should be used for the formula?

ISSUE: PREVENTION: VARIABLES/INDICATORS, WEIGHT, AND DATABASE

Timeline: 7/07

Discussion:

3. If we elect to use a simplified formula:
 - a. What indicators will we use?
 - b. What variable will we use to measure each indicator?
 - c. What weight will be given to each of the variables?
 - d. What database will be used to measure each variable?
4. If we elect to use a cluster model:
 - a. What indicators will we use?
 - b. What variables will be used to measure those indicators?
 - c. What database will be used to measure each variable?
 - d. What weight will be given to each of the variables?
 - e. What weight will be given to each of the clusters?

Decision: What indicators and variables will be used and how will they be weighted?

ISSUE: ACCURATE BUDGET MARKS FOR EACH JURISDICTION

Timeline: 7/07

Discussion:

1. There have been disputes by various jurisdictions concerning what amount of their grant award is designated for regional/statewide money and what is for their jurisdiction alone. ADAA is resolving these issues with award of FY 08 funds.
2. The Workgroup wants to insure that the data used in the formula is correct.

Decision: None. Need to ensure that the issue of statewide/regional vs. individual jurisdiction money is resolved.

ISSUE: STATEWIDE MONEY

Timeline: 8/07

Discussion:

1. The workgroup is interested in determining how statewide money is used: who uses those treatment slots and how are they accessed.
2. As mentioned previously, exactly how much money is allocated for statewide treatment slots will be clarified in FY 08 funding.
3. Data and information from the ADAA will be requested to determine who uses the statewide treatment slots and how are they accessed.

Decision: How does the use of these treatment slots impact on the treatment allocation formula?

ISSUE: COURT ORDERED TREATMENT

Timeline: 8/07

Discussion:

1. How should court ordered evaluations and treatment, including those ordered pursuant to Section 8-505 and 8-507 of the Health General Article, Annotated Code of Maryland, be funded: At issue are several points of discussion:
 - a. Do such commitments put additional burden on the treatment system, or are they merely another point of entry into the treatment system that an individual would/could have entered in another way? In other words, does the jurisdiction's need for service capacity remain constant, regardless of the point of access?
 - b. Do such commitments put additional burden on an already scarce resource of residential treatment slots, because judges appear to favor such placements, or, does the jurisdiction's need for residential treatment remain constant regardless of the point of access?
 - c. Should additional funding be awarded to jurisdictions based on the number of individuals court-ordered to evaluation and/or treatment, or should this service delivery need be part of the Local Drug and Alcohol Abuse Council's strategic plan, with funding being awarded through that jurisdiction's usual grant award?

Decision: Does court-ordered treatment impact on the allocation formula and, if so, how?

ISSUE: FORMULA APPLICATION

Timeline: 8/07

Discussion:

1. The dominant concern of “holding harmless” becomes a critical part of the conversation when considering how to apply the formula. Several applications have been discussed:
 - a. The formula should only apply to new money.
 - b. The formula should apply only to new money and only be distributed to those jurisdictions that have been shown to have a lower percentage of the available money than the formula indicates it should have.
 - c. The formula should apply only to new money, with, first, a portion of the money equally distributed to each jurisdiction to sustain their infrastructure, and the *remaining portion distributed according to the formula to each jurisdiction.*
 - d. The formula should apply only to new money, with, first, a portion of the money equally distributed to each jurisdiction to sustain their infrastructure, and the *remaining portion distributed only to those jurisdictions that, according to the formula, have a lower percentage of the funds available than is their equitable share.*
 - e. The formula should not be applied until the total funds needed by those jurisdictions that the formula indicates have a lower percentage of available funds as their equitable share is appropriated to ADAA.
 - f. To ensure that no jurisdiction’s current service delivery capacity is made vulnerable the allocation formula, each jurisdiction should be given a *base funding* that would support and maintain its service delivery infrastructure in addition to the funds allocated by a formula funds

- Decisions:
1. Should any money be exempt from the formula and, if so, what for and how much?
 2. How should the formula be applied to funds distributed by the ADAA for alcohol and drug abuse treatment?

ISSUE: REVIEW AND RECALCULATION OF THE FORMULA

Timeline: 8/07

Discussion: Discussions have been held regarding the need for the formula (and variables used) to be reviewed periodically at a predetermined time to ensure its continued appropriateness, and the need for the formula to be re-calculated at regular intervals in order to ensure that shifts in population number and profiles in jurisdictions are accounted for when funds are being allocated.

Decisions:

1. How often should the variables and social indicators used be revisited?
2. How often should the formula be recalculated?

ISSUE: USE OF PERCENTAGES OR RATES IN WHEN MEASURING THE VARIABLES

Discussion:

- a. Emails that took place between a Workgroup member and John Carnevale between 12/7/06 to 12/15/06

Workgroup Member: Good morning John: Yesterday at the formula workgroup you discussed the reasons behind using percentages rather than rates in the formula. I didn't quite understand the rationale and was hoping that you could explain this again. Thanks for you help.

John: The bottom line answer has to do with the fact that we are allocating dollars among MD's jurisdictions based on need. The literature is clear that the formula should allocate dollars according to a jurisdiction's share of a problem. That is, as we economists are fond of saying, all else being equal, a jurisdiction with a relatively higher share of a problem should receive a relatively higher share of the dollars. This reflects the equity principle.

As an example of why percentages versus rates, consider the following hypothetical example for two jurisdictions, A and B.

Jurisdiction A, a rural area, has a (let's say) poverty rate of 10 per 100,000 population and a total population of 200,000. That means it has 20 people in poverty (10 times 200,000/100,000).

Jurisdiction B, an urban area with a large population, has a rate of 5 Per 100,000 and a population of 2,000,000. That means it has 50 people in poverty (5 times 1,000,000/100,000).

So, if we were to use rates only (continuing with our simple example) We would want to allocate twice as much money to the rural area than the urban area since its rate of poverty is twice that of the urban area's. However, given our assignment is to allocate dollars in proportion to an area's share of the problem, using rates makes no sense. We must convert the rate to numbers so we can determine a jurisdiction's share of the problem. In our example, Jurisdiction A has 20 people, or 29 percent, of the problem.

Jurisdiction B has 50 people, or 71 percent, of the problem. Under our scheme, we would therefore give 71 percent of the funds to Jurisdiction B simply people that's where most of the people (with the problem) reside.

Member: However, in your statement "all else being equal a jurisdiction with a relatively higher share of a problem should receive a relatively higher share of the dollars" there is a fallacy - with an increased population there will always be an increased percentage of the total. So how do you take into account the rate of crime, health issues, addiction need so that all jurisdictions are seen as equal? Do we need to use rates of these variables with a population variable? Is there some way to use rates but account for population differences?

John: No, there is fallacy. The point is really simple: the more of the problem you own, the more of the dollars you get. Hence the percentage distribution. In the formula, we account for a jurisdiction's share of crime, health, environmental, etc., type factors. Rural area may have higher rates of a problem in some cases, but the fact remains that they do not have large populations. To put more money into an area solely using rates would treat the more populated areas that have more of the problem numbers of people--the unit of analysis for the allocation of treatment and prevention funds)unfairly. Our approach is correct mathematically; it is just politically unsettling (just ask your friends from Baltimore City)!

By the way, "all else being equal" means that you hold constant the effects of other variables while you look at the effect of changes on some dependent variable (in this case dollars) from one variable. So, with our existing treatment variable, we could show an allocation using the current construction and then see what happens if we change just one variable. That's all it means. The expression really is a tool used by economist to disaggregate effects.

Member: I understand your points but do feel there should be some weight given to the rate issue, particularly when dealing with prevention. Thanks for you time and assistance.

b. A Health Officer offered these thoughts to the debate:

An example of use of percentage of the whole problem for outcome evaluation is the method used in Kid's Count for Teen Pregnancy. If all adults stopped having babies in one year, then the percentage of births to teens would skyrocket to 100%, whereas if you track rates of teen birth from year to year, then they will not depend upon what the adult population is doing. The same principal would apply to all of the measures being considered for an allocation formula. If Baltimore suddenly solved their crime problem, then the rest of us would look as though crime had risen in our counties, even though it did not.

Decisions:

1. Should the rate of the problem in a jurisdiction be used in the formula?
2. Should the percentage of the problem in a jurisdiction be used in the formula?
3. Should the percentage of the problem and a rate factor be used?

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL

Formula Workgroup Minutes February 8, 2007

In Attendance: Susan Bergmann, James Brenneman, Lori Brewster, Adam Brickner, Terry Brown, Tom Cargiulo, Betty Malkus, Marty Pusey, Kathy Rebbert-Franklin, Colleen Ryan-Smith, Craig Stofko, Karen Winkowski, Carol Wise, Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order 12:35 p.m.

II. Approval of Minutes

The minutes of the December 21, 2006 and the January 4, 2007 meetings were approved as written

III. Tasks and Timelines

- **Definition of Need (Timeline: 2/8/07):**
 - Discussion about the definition of need was held. Several things were decided: 1. the definition of need will be implicit in the variables chosen for the formula. So for instance, need may be defined as the number of residents who are not insured or under insured and who are determined to be in poverty (as defined by the measure of poverty [poverty, extreme poverty, wealth] the group chooses to use); 2. No one drug, and the consequences of its use, is deemed more severe than another. The severity of the consequences of drug use is determined by the length of use, the progression of the disease, increasing disruption in social /occupational/ recreational functioning, increase of high-risk behavior and decline of physical/emotional/spiritual health. In most instances, this progression often requires the need for more and more intensive/expensive treatment and ancillary services regardless of the type of drug used.
- **Hold harmless (Timeline: 2/8/07):** A discussion and vote was tabled on a definition of hold harmless while we await clarification from the legislature.
- **Use of a Simplified vs. Cluster Model Formula for Treatment (Timeline: 2/8/07):**
 - The discussion centered on all the efforts the workgroup has put into trying to develop the perfect formula, with the perfect variables and accounting for all aspects of the substance abuse and its consequences. It was felt that we got ourselves bogged down in making it more complicated than it needed to be. One member mentioned the formula used for money given to health department for core services. Among other variables, this formula uses poverty, population and years of

productive life lost before the age of 75. This formula will be further explored for its utility to our task as will formulae HRSA uses in determining funds for public health services. In general, much of the discussion echoed what was put in the Interim Report:

- the national prevalence rate is a good measure for estimate of treatment need in Maryland;
 - there is precedence for a simple model in the public health care arena;
 - multiple variables count the same individual twice;
 - money allocated using the formula is for substance abuse treatment for the uninsured/under insured and not for the consequences of drugs use; and,
 - simplicity is important for the transparency and ease of the general public's and legislature's understanding of the formula.
- It was decided that members had until Thursday, 2/15/07 to submit indicators of need for the simple formula. After that time, the Chair will send all members the final list for them to vote on and/or rank order. Some of the variables put forth during the meeting are: poverty, population, years of productive life loss, insurance status, number of service providers and a rurality factor. Once the variables are decided on by the group, small groups will be formed to determine which measure of that indicator would be best and what data should be used. (For instance, if poverty is an indicator of need, a small group will consider what measure we should use: the federal poverty level, the extreme poverty measure or a measure of a jurisdiction's wealth)
 - It was stated and agreed upon by the workgroup that our mission is to develop a formula that will equitably distribute the funds allocated by ADAA and that this should be independent of the results of the formula. In other words, the workgroup should commit to a "definition" of need by the variables it selects. The results of the formula can be reviewed and indicators examined to ensure that the right variables were selected to achieve our mission..
- **Use of a Simplified vs. Cluster Model Formula for Prevention (Timeline: 2/8/07):**
 - This discussion and vote was tabled until our next meeting on March 8, 2007. In all of our discussions over the past 5 months, treatment has been the primary focus. The group felt that prevention has not been discussed/explored enough by the group to determine the type of formula that should be used. The next meeting will be devoted to prevention with some members, who are prevention specialists, making a presentation to the group before a vote is taken on the nature of the formula to be used.

IV. Old Business

None

V. Motions

- **Resolved:** The allocation formula developed for the equitable distribution of substance abuse treatment funds distributed by the Alcohol and Drug Administration will be a simple model and not use “clusters.”
Voting Results: Motion carried (13 yeas; one abstention)

VI. New Business

None

VII. Future Meetings

- a. **March 8, 2006** -12:30 p.m. – 2:30 p.m
- b. **April 12, 2007** –12:30 p.m. – 2:30 p.m
- c. **May 10, 2007** 12:30 p.m. – 2:30 p.m

All meetings will be held at ADAA, OETAS training room, Spring Grove State Hospital

VIII. Adjournment

The meeting was adjourned at 2:25 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL

Formula Workgroup Minutes March 8, 2007

In Attendance: Susan Bergmann, Chris Delaney, Lori Brewster, Candice Cason, Betty Malkus, Marty Pusey, Kathy Rebbert-Franklin, Colleen Ryan-Smith, Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order at 12:40 p.m.

II. Approval of Minutes

The minutes of the February 8, 2007 meeting were approved as amended.

III. Analysis of the FY 2008 Maryland Executive Budget, 2007 – ADAA

- The recommended actions proposed by the budget analyst for ADAA were reviewed. The following was underscored:
 - The allocation formula report for the General Assembly is due on December 1, 2007.
 - \$100,000 of ADAA's appropriation may not be expended until the formula is developed.
 - The General Assembly intends that the formula be applied to all new ADAA prevention and treatment funding distributed to local jurisdictions for service expansion beginning fiscal 2009.
 - In developing the formula, the General Assembly wants consideration to be given to how best to:
 - Fund services provided in rural jurisdictions;
 - Account for the benefits that accrue from regional –based treatment provided by a single jurisdiction;
 - Fund services provided for court-ordered commitments; and
 - Fund prevention services.
 - ADAA is to complete a comprehensive needs assessment. (This may have impact on the variables in the formula. The Workgroup is considering the use of the Federal prevalence rate as an estimate of need given their dissatisfaction with the method ADAA uses to estimate need. With the data available from a current comprehensive needs assessment, the Workgroup may elect to use the results from that assessment rather than the Federal prevalence rate.

IV. Prevention Allocation Formula

- **Presentation and Discussion on Principles in Prevention:**
 - Several members of the workgroup and a member of the audience presented issues in prevention, including assessing need for prevention services. A discussion was held after the presentation. Topics presented were:
 - Definition of Prevention

- SAMHSA’s Web of Influence model
- Institute of Medicine’s Prevention classifications, categories and continuum of health care.
- Risk and Protective Factors
- New York State’s “Alcohol and Other Drug Abuse Prevention Services Needs Assessment: County-Level Social Indicator Study”
- Prevention Formula Subgroup: Members then discussed the development of a funding formula for prevention services. It was decided that:
 - the Prevention Subgroup will continue to meet,
 - the subgroup will copy the entire workgroup in on email discussions among subgroup members,
 - the subgroup will report their progress at each Workgroup meeting,
 - the subgroup will submit a suggested formula (including rationale for choosing certain indicators, and identified databases to measure those indicators) to the Workgroup by the June 2007 meeting.

A discussion about the need for a base funding for prevention services was also held. It was decided that there should be base funding for each jurisdiction and that, since this was an issue for the treatment formula as well, there should be a separate workgroup to determine how to address the issue in both the treatment and prevention formulae. It was also felt that all decisions on base funding should be deferred until the General Assembly voted on the final budget language.

V. Treatment Formula Variables

- Between this meeting and the last, members were asked to submit to the Chair the variables they preferred to be placed in the formula for treatment. The variables submitted, as well as several formulae that were submitted,
- were placed in a chart for the members review. It was decided that the chair should send out a listing of the variables and asked each member of the committee to rank order them. This should give a an idea on which variables have group consensus.
- Once we determine which variables most people want represented in the formula, workgroups can be formed to determine other issues concerning each variable, such as which database to use to measure the variable. An attempt is to be made to form subgroups to work on variables before the next workgroup meeting.

VI. Motions

- **Resolved:** The formula will establish a base for prevention funding in order to assure that there is sufficient infrastructure to provide prevention services in each jurisdiction in Maryland. This would include, at minimum, one full time AOD Prevention Coordinator for each jurisdiction.
Voting Results: Motion carried
- **Resolved:** The prevention formula should consider variables that span all ages/stages of the life cycle.
Voting Results: Motion carried

VII. New Business

None

VIII. Future Meetings

a. April 12, 2007 –12:30 p.m. – 2:30 p.m.

b. May 10, 2007 12:30 p.m. – 2:30 p.m.

All meetings will be held at ADAA, OETAS training room, Spring Grove State Hospital

IX. Adjournment

The meeting was adjourned at 2:45 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL
Formula Workgroup Minutes
April 12, 2007

In Attendance: Susan Bergmann, Lori Brewster, Thomas Cargiulo, Kenneth Collins, Betty Malkus, Marty Pusey, Colleen Ryan-Smith, Craig Stofko, Carol Wise, Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order at 12:30 p.m.

II. Approval of Minutes

The minutes of the March 8, 2007 meeting were approved.

III. Final Joint Chairmen's Report for M00K only – Operating Budget, April 2007

- The final budget language found in the Joint Chairmen's Report of April 2007 stated:
 - The allocation formula report for the General Assembly is due on December 1, 2007.
 - \$100,000 of ADAA's appropriation may not be expended until the formula is developed.
 - It is the intent of the General Assembly that the formula be applied to all new ADAA prevention and treatment funding distributed to local jurisdictions for service expansion beginning fiscal 2009.
 - In developing the formula, the General Assembly wants consideration to be given to how best to:
 - Fund services provided in rural jurisdictions;
 - Account for the benefits that accrue from regional –based treatment provided by a single jurisdiction;
 - Fund services provided for court-ordered commitments; and
 - Fund prevention services.
 - The General Assembly remains concerned that current funding of local prevention and treatment services does not adequately reflect relative need in those local jurisdictions. Thus, the General Assembly requests that the formula workgroup provide the Maryland State Drug and Alcohol Abuse Council (MSDAAC) with the calculation of the funding required to move the allocation of local prevention and treatment dollars to be completely formula-driven over a one-, two-, and three-year period while at the same time holding jurisdictions harmless. The MSDAAC shall submit a report to the Governor and Budget committees by February 1, 2008 detailing the funding required implementing a phase-in to a full formula allocation for each of the scenarios and also identifying a funding strategy.
- Members requested that the Chair seek clarification on several issues contained in the budget language including:
 - What is meant by “to move the allocation of local prevention and treatment dollars to be completely formula-driven...”?
 - What is meant by “fund services provided for court-ordered commitments”?

IV. Workgroup Reports

- **Prevention Work Group:** No report

V. Preferred Variables for Treatment Formula

- In reviewing the “Preferred Variables in Rank Order” handout, members noted that there is not a clear point, where the scores are far apart, enabling us to establish a cut off point and, thus, eliminate some of the 11 variables. The handout lists the 11 variables in rank order, listing the average score and total score each variable received from the 15 respondents who rank ordered the variables. Members asked to see the raw scores (the actual numbers each variable was given by each respondent) to see more clearly which of the 11 were least preferred.
- There was some discussion concerning whether or not some variables were measuring the same thing and could be combined or eliminated. For instance, one member wants to explore whether or not the federal prevalence rate takes into account poverty and, therefore, if we use poverty and the federal prevalence rate, we are counting poverty twice. Another member noted that the top 7 variables all directly related to treating/preventing the problem. The remaining 4 related to the consequences of the problem (crime, drug related deaths, children in foster care, HIV cases related to IV drug use). Some members feel that the money to be allocated is for treatment/prevention of the disease and not to pay for its consequences.
- Another issue raised was whether or not “population” should be a variable as it is inherent in all of the other variables.
- Members wanted to continue to review the list and make a decision next meeting as to which variables should be used in the treatment formula.
- Subgroups were formed to further explore some of the variables:
 - **Rurality Variable Subgroup** – Jim Brenneman (Allegany County), Tom Cargiulo (Howard County), Betty Malkus (Caroline County), and Craig Stofko (Somerset County).
 - **Poverty Variable Subgroup** – Sue Bergmann (St. Mary’s County) Lori Brewster (Wicomico County), and Colleen Ryan-Smith (Montgomery County).

VI. Other Discussion Held by Members

- Some members mentioned that, in allocating infrastructure dollars, consideration needs to be given to the types of modalities in the county. This is because residential treatment programs have additional increases (food for instance), and not just staff COLAs.

VII. New Business

None

VIII. Future Meetings

The Chair noted that it had come to her attention that, in moving the meetings from Wednesday to Thursdays (at the beginning of the year), the day and time chosen (second Thursday of the month) conflicted with the Health Officer’s meeting and therefore, precluded them from attending. To remedy this situation, the meetings will be moved to a new day and time, hopefully, starting in June.

The next meeting will be on **May 10, 2007** 12:30 p.m. – 2:30 p.m. All meetings will be held at ADAA, OETAS training room, Spring Grove State Hospital

IX. Adjournment

The meeting was adjourned at 2:10 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL
Formula Workgroup Minutes
May 10, 2007

In Attendance: Jim Brenneman (Allegany County), Lori Brewster (Wicomico County), Terri Brown (Council), Thomas Cargiulo (Howard County), Candice Cason (Prince George's County), Kenneth Collins (Cecil County), Betty Malkus (MADC/Caroline County), Kathy Rebbert-Franklin (Baltimore County), Colleen Ryan-Smith (Montgomery County), Craig Stofko (Somerset County), Elaine Swift (Baltimore City), David Treasure (DBM), Greg Warren (DPSCS), Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order at 12:30 p.m.

II. Approval of Minutes

The minutes of the April 12, 2007 meeting were approved.

III. Old Business

A. Subgroup Reports

1. Prevention: Prevention subgroup has not met yet. Recent teleconference call had to be cancelled due to several members unexpectedly being unable to participate. Chair will confer with chair of subgroup to establish a new time and date.
2. Poverty: Poverty group has had one teleconference call with another scheduled for 5/24/07 at 3:00 p.m. This subgroup is considering which poverty level to use (Federal or State); how to account for working poor (i.e., 250% of poverty level); and whether or not to include extreme poverty as a variable.
3. Rurality: The Rurality subgroup met via a teleconference call. Discussion was held concerning best measures to use to capture this variable. Density and number of programs were measures the group wanted to explore before making a final decision. Next teleconference call is May 22, 2007 at 3:00.

B. General Discussion

1. Several points were made regarding the use of a poverty measure. It was pointed out that the Core Local Health Services allocation formula uses 250% of Federal poverty level. It was felt that extreme poverty measure should be used as these are persons who are most likely to need/use the most services and are often homeless and therefore less likely to be on Medicaid. It was pointed out that the core health services formula does not consider this measure, and neither should the substance abuse services formula, because there are other federal funds to serve these special populations (i.e., homeless).
2. Discussion concerning the Rurality variable included considering the number of treatment slots per jurisdiction and not just programs.
3. A motion was made to consider only the top 5 ranked variables (estimate of need, poverty, population, insured/uninsured, and rurality) and eliminate from consideration as a variable in the formula the variables ranked 6-11 (number of clients receiving public addiction services, number of service providers/access to service providers [this variable is being considered in the definition of "rurality"], crime/arrest rates, drug related deaths, number of children in foster care, and HIV cases related to IV drug use). It was again emphasized that the group has decided

that the formula should consider cost of treatment and not the cost of the consequences of substance abuse such as HIV, crime, foster care, etc.

IV. New Business

A. In the course of both the poverty and rurality teleconference calls, a suggestion was made that utilization be considered as a variable in the allocation formula. Via an email, all members of the Formula Workgroup were asked to consider this variable and vote on whether or to not add this to the 11 potential variables voted on in March 2007. Thirteen of the 18 active, attending members voted, with 11 voting against including utilization and 2 for including it.

V. Motions

Motion: Only the top five ranked variables will be considered for use in the formula(estimate of need, poverty, population, insured/uninsured, and rurality) and not those ranked 6-11(number of clients receiving public addiction services, number of service providers/access to service providers [this variables is being considered in the definition of “rurality”], crime/arrest rates, drug related deaths, number of children in foster care, and HIV cases related to IV drug use)

Vote: Motion carried: 11 votes for, 2 opposed, and 1 abstention

VI. Future Meetings

June 7, 2007 August 8, 2007 October 10, 2007
July 18, 2007 September 19, 2007

All meeting held between 12:30 p.m. – 2:00 p.m. at the Alcohol and Drug Abuse Administration, Spring Grove State Hospital

VII. Adjournment

The meeting was adjourned at 2:00 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL

Formula Workgroup Minutes

June 7, 2007

In Attendance: Jim Brenneman (Allegany County), Lori Brewster (Wicomico County), Kenneth Collins (Cecil County), Betty Malkus (MADC/Caroline County), Chris McCully (DBM), Simon Powell (DLS), Marty Pusey (MAPPA), Kathy Rebbert-Franklin (Baltimore County), Colleen Ryan-Smith (Montgomery County), Elaine Swift (Baltimore City), Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order at 12:30 p.m.

II. Approval of Minutes

The minutes of the May 10, 2007 meeting were approved.

III. Old Business

A. Subgroup Reports

1. Prevention: Prevention subgroup had a teleconference call. They reviewed the model used by the New York Report. They are exploring the use of risk factors present as indicators of need for funding. Preliminary discussion has the group dividing these factors into individual, family and community. The next task is to identify indicators to accurately measure these factors in each jurisdiction.
2. Poverty: Poverty group recommends to the Formula workgroup that the poverty variable be up to 200% of the Federal Poverty.
3. Rurality: The Rurality subgroup has another scheduled teleconference call on June 14, 2007. The final decisions to be made by the group before it can make a recommendation to the Formula workgroup are: whether or not to use land and water area or just land area in calculating density; and, whether to consider a cost of living factor to address the cost of doing business in more urban areas.

B. General Discussion

1. The Chair reported on her discussion with Simon Powell regarding the two questions the workgroup had about two statements in the Joint Chairmen's report:
 - A. What is meant by "to move the allocation for local prevention and treatment dollars to be completely formula-driven"? Most members of the General Assembly understood that a complete formula driven allocation for next year is not viable. There was also concern about those counties who stood to "loose". This occasioned the change in language to "new money". However, others are committed to an eventual allocation based on need. This resulted in the General Assembly requesting that the Formula Workgroup submit a report detailing the funding required to implement a phase-in to full formula driven allocation of prevention and treatment money.
 - B. What is meant by "fund services provided for court-ordered commitments"? This is part of larger conversations within Health and Mental Hygiene: how it handles its forensic patients and the issue of external forces driving statewide money.

2. **Unit of Analysis:** There was a discussion concerning what the appropriate unit of analysis. Thus far, the unit being considered has been population. It was strongly argued by one member that the unit should be jurisdictional wealth and not the individual. No further discussion was had and no motion made to change unit of analysis.
3. **Poverty factor vs. Wealth factor:** Discussion was had concerning the most appropriate factor to use in the formula with regard to a jurisdiction poverty rate. An argument was put forth for the use of the wealth factor as more a more accurate reflection of a jurisdiction's needs for public monies and socio-economic standing and more sensitive to disparities such as race. Another counter opinion was raised indicating that while the above appeared to be true, much of the literature related to determining substance use/abuse needs used poverty as a strong determinant of needs, other public health funds in Maryland are allocated using poverty (libraries and education use a wealth factor), and, this opinion believed, there is not a clear demonstration in the literature that wealth has a strong predictive relationship treatment need. It was the wish of the group that the Council should ask ADAA to explore the use of wealth as a predictive factor in their forthcoming estimate of need survey/research as mandated by the General Assembly, recognizing its strong points mentioned above.
4. **Base funding:** The initial opinion noting that base funding for each jurisdiction should be part of any formula allocation for both treatment and prevention was raised. Some members will do some preliminary investigation concerning what those numbers should be and report back to the group.
5. **Estimate of need:** Discussion concerning the use of the national prevalence rate was held, with the membership reiterating its lack of confidence in the truncated poisson method currently used by ADAA (a method approved by the Federal government for allocation of block grant) as an estimate of need. While not the most accurate or satisfactory estimate of need at a jurisdictional level, the work group voted to use the national 8-10% prevalence rate (exact rate to be determined) as a constant/place holder, pending the results of the ADAA's estimate of need research mandated by the General Assembly to be completed over the next three years. At that time, the results of that research shall take the place of the national prevalence rate in the formula.
6. **Frequency formula calculated:** A motion was made and carried to calculate the formula every 3-5 years, coinciding with the 3-year estimate of need survey cycle conducted by the ADAA.
7. **Frequency variables be reviewed.** Decision on the frequency that the formula variables should be reviewed was postponed.
8. **Clarification of jurisdictional budgets and budgets for statewide services:** There still remains some confusion regarding grant awards for a jurisdiction's services and those for a statewide service residing in that jurisdiction.

IV. New Business

None

V. Motions

Motion: The poverty variable will be at or to 200% of the Federal Poverty level.

Vote: Motion carried: 6 votes for, 1 opposed, and 1 abstention

Motion: The national prevalence rate of 8-10% for substance use disorders will be used as an estimate of need until the data from the ADAA's estimate of need research is available.

Vote: Motion carried: 6 votes for, 1 opposed, and 1 abstention

Motion: The formula shall be calculated every 3-5 years coinciding with the completion of the 3-year cycle of the ADAA's estimate of need surveys.

Vote: Motion carried: 5 votes for, 2 opposed, and 1 abstention

VI. Future Meetings

August 8, 2007

September 19, 2007 October 10, 2007

All meeting held between 12:30 p.m. – 2:00 p.m. at the Alcohol and Drug Abuse Administration, Spring Grove State Hospital

VII. Adjournment

The meeting was adjourned at 2:00 p.m.

MARYLAND STATE DRUG AND ALCOHOL ABUSE COUNCIL
Formula Workgroup Minutes
September 12, 2007

In Attendance: Susan Bergmann (St. Mary's County); Jim Brenneman (Allegany County), Tom Cargiulo (Howard County), Candice Cason (Prince George's County), Tiffany Chavis, (NCAAD), Kenneth Collins (Cecil County), Betty Malkus (MADC, Caroline), Marty Pusey (Worcester County, MAPPA), Kathy Rebbert-Franklin (Baltimore County), Elaine Swift (Baltimore City), Suzan Swanton (Chair)

I. Call to Order

The meeting was called to order at 12:30 p.m.

II. Approval of Minutes

No minutes were presented for approval

III. Old Business

A. Rurality Variable

1. Background Information: Some additional background information was presented on the differential costs of service provision between urban and rural areas:
 - a. Washington State's Division of Alcohol and Substance Abuse's report, "Outpatient Services Extended Rate Study," found that the total of the average unit cost of five different services for adults was 30 percent higher for rural providers than for urban. (Sorensen, James E. (2006) Washington's Outpatient Services Extended Rate Study. Prepared for the Division of Alcohol and Substance Abuse, Washington State Department of Social and Health Services. Seattle, Washington, page 21); and,
 - b. A study conducted in Pennsylvania on the cost effectiveness of substance abuse services found more costs associated with core services for rural providers than for urban (Shastri, K.A. (1999) *Book Association Health Services Res. Meet.*, pages 85-6.)
2. Measurement: The workgroup operationalized the construct of "rurality" by using the definition of "rural" found in the *Maryland Rural Health Plan* (MRHP). (Maryland Department of Health and Mental Hygiene, Maryland Rural Health Plan, Family Health Administration, Baltimore, Maryland June 2007). Therefore, a jurisdiction is considered "rural" if it is mandated by Maryland's Annotated Code to have representatives on the Rural Maryland Council.
3. Weight: .05
4. Discussion: The decisions on how to treat the Rurality factor in the formula, how to account for the perceived cost differential in service delivery between urban and rural settings, how to fund that difference, how to define rural jurisdictions, and how much to weigh the variable was the result of much discussion. The above stated measurement (definition) and weight are the end results of this discussion, but it should also be noted that there was a strong interest among the members to further delineate levels of rurality within the 18 counties defined as rural in by the Annotated Code. No consensus could be reached on how this should be done. Finally, a motion was made and carried to recommend that the legislature fund a

study to assess the cost differential for providing substance abuse services in rural areas.

B. Weight of Variables in the Treatment Formula: After much debate, the final decision was:

- a. Estimate of Need: 70%
- b. Population 200% of Federal Poverty Level: 25%
- c. Rurality: 5%

It should be noted that the members were reluctant to set weights without having reviewed any simulations, but given the assigned task and the lack of resources to do so, the above represents the most informed decision that could be reached.

C. Formula Application: Set Asides: A motion was made and carried that when new funds become available for substance abuse prevention and treatment services, an amount of money equal to two percent of each jurisdiction's current allocation be set aside, before the formula is applied, for distribution to each jurisdiction for an increase to address the cost of doing business.

IV. New Business
None

V. Motions

Motion: The workgroup recommends to the General Assembly that the formula be applied in FY 2010 rather than FY 2009.

Motion not seconded

Motion: The workgroup recommends that the General Assembly fund a study to assess the differential need of substance abuse services in rural areas.

Vote: Motion Carried: Unanimous

Motion: The jurisdictions defined as rural by the federal definition in the Maryland Rural Health Plan and those defined as rural by the Maryland definition in the Maryland Rural Health Plan would represent two tiers of funding with the jurisdictions designated as rural by the federal definition getting more.

Vote: Motion lost: 3 votes for; 3 against; 4 abstentions

Motion: The rural variable is given a 2% weight.

Vote: Motion lost: 3 votes for; 5 against; 2 abstentions

Motion: The rurality variable will be defined using the Maryland definition found in the Maryland Rural Health Plan and will be weighed .05 of total formula.

Vote: Motion carried: 7 votes for; 2 against; 1 abstention

Motion: The variables in the formula are weighed as follows: Estimate of Need-50%; Population at 200% of the federal poverty level- 45%; and, Rurality – 5%.

Vote: Motion lost: 6 votes for, 2 opposed, 2 abstentions.

Motion: The variables in the formula are weighed as follows: Estimate of Need-35%; Population at 200% of the federal poverty lever- 60%; and, Rurality – 5%.
Vote: Motion lost: 3 votes for, 6 opposed, 1 abstention.

Motion: The variables in the formula are weighed as follows: Estimate of Need-75%; Population at 200% of the federal poverty lever- 20%; and, Rurality – 5%.
Vote: Motion lost: 2 votes for, 6 opposed, 2 abstentions.

Motion: The variables in the formula are weighed as follows: Estimate of Need-65%; Population at 200% of the federal poverty lever- 30%; and, Rurality – 5%.
Vote: Motion lost: 4 votes for, 4 opposed, 2 abstentions.

Motion: The variables in the formula are weighed as follows: Estimate of Need-70%; Population at 200% of the federal poverty lever- 25%; and, Rurality – 5%.
Vote: Motion carried: 5 votes for, 4 opposed, 1 abstention.

Motion: When new funds for substance abuse services become available, two percent of each jurisdiction's current allocation is set aside for distribution to each jurisdiction for an increase in the cost of doing business before the allocation formula is applied.
Vote: Motion carried: 2 votes for, 6 opposed, 2 abstentions.

VI. Future Meetings

October 3, 2007 (depending on availability) October 10, 2007

All meetings held between 12:30 p.m. – 2:00 p.m. at the Alcohol and Drug Abuse Administration, Spring Grove State Hospital

VII. Adjournment

The meeting was adjourned at 2:30 p.m.