

**Financing &  
Purchasing  
Coordinated,  
Efficient Care**

**Other Services:**

Treatment of Offenders  
with Substance-Use  
Disorders

Performance Based  
Contracting:  
Design, Implementation &  
Evaluation

Integration of Substance  
Use in Medical Care

State Readiness for  
Implementation of  
Medication-Assisted  
Treatment (MAT)

A variety of federal, state and local government agencies are responsible for financing of addiction treatment and treatment-related services. In the public sector, sources of financing include public insurances such as Medicaid, federal block grant funds, state general revenue allocations, and federal- and state-funded vouchers. Most states lack the financial resources to pay for the full range of recommended treatment and recovery support services for clients. Therefore, strategic decisions are required to both coordinate funding sources and to maximize the impact of the treatment services that are available.

TRI brings together treatment, management, economic and policy researchers to help policy makers make these strategic decisions – and to provide improved value and accountability through prioritization of resources. TRI provides consultation and evaluation services to states to develop coordinated, collaborative purchasing and management strategies that increase access to appropriate addiction treatment in primary and specialty care, for the general population and for the criminal offenders.

**What TRI Offers:**

**A. A Clearinghouse of Information on Purchasing Strategies and Performance Incentives**

In addition to working directly with states to implement and evaluate purchasing strategies, TRI is developing a clearinghouse of information related to incentive-based purchasing, bundled rates, and integrated funding (including voucher payments) for states interested in new methods for purchasing treatment services.

**B. Design of Chronic Care Models, Including Payment for Care Coordination**

Failure to appropriately manage care and patient transition throughout the continuum detracts from quality and wastes money.

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Contact Mady Chalk, Ph.D.  
Director, TRI Center for  
Policy Research & Analysis  
600 Public Ledger Building  
150 S. Independence Mall

In Philadelphia: 215-399-0980  
In D.C.: 202-362-0021  
mchalk@tresearch.org

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Perhaps the best example is the well-known over-utilization of expensive hospital detoxification, misuse of expensive residential treatment services and under-utilization of less costly outpatient and continuing care services and settings. TRI helps states and local governments develop effective purchasing strategies such as integrated funding and bundled rates that encourage cross-agency coordination and movement of patients across the full continuum of care, as well as collaboration between community health centers, primary care clinics, addiction treatment programs, and community mental health centers. TRI works with states to include and evaluate performance measures and incentives in their purchasing arrangements as they work toward improving care coordination and transitions for patients across the continuum of care.

### **C. Performance Contracts, Bundled Services, and Rates**

Some states are creating contracts that identify specific types of care to be delivered with specified time frames under a single rate of payment. Case rates, payments for episodes of care and/or “bundled rates” are frequently specified in these contracts (which may also include performance incentives). The advantages of this payment mechanism include rewarding high quality care rather than high volume; emphasizing and rewarding movement through the continuum of care; rewarding long term management of patients; and promoting a more coordinated approach to care. TRI is working with states to identify methodologies they can use to set rates that increase efficiency and accountability without increasing expenditures.

### **D. Vouchers and Performance**

Several states have had opportunities to experiment with vouchers to directly “purchase” or allow patients to purchase recovery support services that complement treatment. Use of vouchers to purchase services is an interesting and still unstudied financing mechanism in the addiction field. TRI helps states track the nature, amount and duration of voucher-supported service utilization by patients. While there are no clinical or policy research studies on this issue, results of many state experiments under the CSAT/SAMHSA Access to Recovery (ATR) program are now becoming available, and it is those state experiments that will prove to be the most informative on how best to use the voucher mechanism.

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*The Treatment Research Institute (TRI) is an independent, non-profit research and development organization specializing in science-driven reform of policy and practice in addiction and substance use. TRI was founded in 1992 by A. Thomas McLellan, Ph.D. and colleagues from the University of Pennsylvania’s Center for the Studies of Addiction. To learn more, visit the TRI website at [www.tresearch.org](http://www.tresearch.org) or contact Bonnie Catone, Director of Communications, at [bcatone@tresearch.org](mailto:bcatone@tresearch.org).*