

May 13, 2015

TO: Community Corrections Officers

RE: SB 123 Monthly Invoice for Purchase of Service

The Sentencing Commission is grateful to all of the community corrections offices for carrying out the requirements of the 2003 SB 123 alternative sentencing program for almost 12 years. The \$6.9 million substance abuse treatment program has proven successful in lowering recidivism rates in drug possession offenders and much of the success is directly related to the work you do with these clients. As the payment processing piece of the program, the Commission has recently reviewed its systems in an effort to make the program even more efficient. This is increasingly more important due to the state-wide increase in budget concerns. Our focus is to ensure an effective program with the resources and appropriations that we are given from the legislature.

As most of you are aware, we are currently "under new construction" with our billing and insurance system. A key to the success of the program is the monthly SB123 team meetings. They are critical in ensuring not only program fidelity but an accurate invoice for timely reimbursement with the community corrections officer (ISO) giving the final approval. To let you know what we are currently seeing that has proved problematic, some of these patterns below in invoices are occurring. Citations below are from the Kansas Sentencing Commission and Kansas Department of Corrections 2003 SB 123 "Alternative Sentencing Policy for Drug Possession Offenders" Operations Manual (Version 3.0 effective July 1, 2008) (Manual) that is available online at the KSC website. We've also attached a blank invoice, a TP letter and hope that these references will be helpful to you.

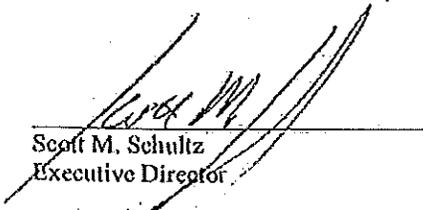
1. **Payment Timelines** - Treatment providers (TP) and ISOs are required to submit invoices in a timely manner. This is extremely important for prompt processing of a claim. Timely payment for services of the TP is important to the TP's livelihood for cash flow purposes and it also assist the KSC in processing claims in the correct fiscal year. Below is the easy procedure for ISOs to follow when receiving invoices from TPs. See also Chapter 4-8 of the Manual.
 - a. Receive invoice from TP within 10 working days of the end of the previous month;
 - b. Enter intervention information in TOADS;
 - c. ISO has 5 working days to review, obtain signatures, enter TOADS data and submit to the KSC;
 - d. If invoices are received from TP more than 45 days (actual, not working days) from the end of the month for which treatment is billed, the ISO and Director shall deny the invoice, mark as such on the invoice and send to the KSC.
2. **Scheduled Treatment Start Dates** - Item #6 of the Invoice contains the Scheduled Treatment Start Date. Once the date is set, it may not be changed. Treatment will be paid under the program for 18 months from this start date and cannot be extended even if the offender absconds, violates probation in other way, or causes any intentional delays that are under their control, including incarceration. See Chapter 6-4 of the Manual.
3. **Processing Rejected Invoices**- In the past, the ISO would create a new invoice and re-sign, resulting in incorrect dates, thereby creating discrepancies with timelessness issues and duplications. When processing rejected invoices:
 - a. Use the original invoice
 - b. Add revision(s) and indicate the particular change on the original invoice. Do not use Liquid Paper or correction fluid.
 - c. Resubmit the original invoice to the KSC. Paragraph six of the 2003 Senate Bill 123 Treatment Provider Agreement provides that: "The provider agrees that all Invoice for Purchase of Service forms must be received by the Kansas Sentencing Commission's fiscal agent within sixty days (60) from the date services were provided." See Chapter 8-33 of the Manual.

4. **Invoice Completeness** – The review process as mentioned in I.a. above requires that to process payments:

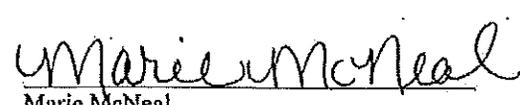
- a. **Clients with Insurance** – Check client insurance. The ISO and the offender are the TP's first source for this information. As of January 1, 2013, if the client is covered by insurance, the SB 123 program is the payor of last resort. The TP must submit the claim to insurance first prior to presenting an SB 123 invoice for payment. This includes Medicare and Medicaid. If insurance is denied partially or in full, a copy of the denial or partial payment on third party insurance company letterhead shall accompany the invoice. This invoice must be submitted to the KSC within 45 days (actual, not working days) after the date of denial or partial payment to be accepted by the KSC for payment. See November 8, 2012 KSC Letter to SB 123 Treatment Providers and Chapter 8-32 of the Manual.
- b. **Signatures** - All signatures from TP, ISO and Director must be present or the invoice will be rejected.
 - i. Invoice Item #22 - Signature of the ISO validates that the services listed on the Invoice submitted by the treatment provider to Community Corrections for that offender are true, accurate and have been rendered to that offender as verified through team meetings and/or correspondence between the treatment provider and that offender's ISO.
 - ii. Invoice Item #24 - Signature of the Director of Community Corrections authenticates that Invoice confirming that the services listed on such Invoice are true, accurate and have been rendered to that offender and that those services are within the amount agreed upon for that treatment modality as established in the Provider Agreement between Community Corrections and the treatment provider, thereby authorizing payment to such treatment provider. See Chapter 8-19 of the Manual.

Thank you again for your part in making the SB 123 program a success. Please feel free to offer any suggestions for discussion regarding the above issues or ideas to be added or modified in a future updated invoice form. The KSC is committed to providing appropriate treatment to all SB 123 offenders and will work with community corrections to ensure that treatment is funded at the agreed upon rate. We greatly appreciate previous feedback we have received and encourage contact to:

Charlene Peacock, LMSW, LCAC
SB 123 Program Manager/Utilization Review Treatment Specialist
charlenep@sentencing.ks.gov
785-296-8930



Scott M. Schultz
Executive Director



Marie McNeal
Director of Community Corrections Services

700 SW Jackson Street
Suite 501
Topeka, KS 66603-3757



Phone: (785) 296-0923
Fax: (785) 296-0927
<http://www.kansas.gov/ksc>

Honorable Richard M. Smith, Chair
Honorable Evelyn Z. Wilson, Vice Chair
Scott M. Schultz, Executive Director

Sam Brownback, Governor

November 8, 2012

TO: SB 123 Treatment Providers

RE: New Insurance Billing Policy

As most of you are aware, the insurance billing policy has been changed by the Commission and will be effective January 1, 2013. Since the initial correspondence about the change in insurance billing policy, we have received very valuable feedback and questions from providers. The Commission addressed some of these questions at its meeting on October 25 and the following decisions were made:

Will delayed response from insurance companies cause invoices to be rejected by KSC?

As is stated in the SB 123 Operations Manual, version 3.0, "Invoices received from treatment providers submitted for treatment later than 45 days (actual days, not working days) from the end of the month for which treatment is being billed *shall be denied* by the ISO and director." With the change in insurance billing, the Commission decided to add language to the Operations Manual to account for response time from insurance companies. The new policy will allow for the submission of treatment invoices up to 45 days from the date of denial from the insurance company. A copy of the denial of service letter should be forward to the KSC with the treatment invoices.

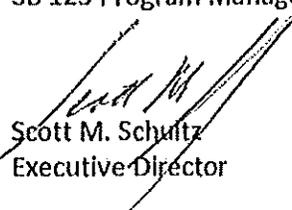
Will KSC reimburse the difference between the provider rate and insurance rate of treatment?

Yes, the KSC will pay the difference. Providers will need to submit the treatment invoices as normal and also submit a new form documenting the payments received through an insurance claim. We are currently working on the insurance documentation form. The new form will be made available prior to January 1, 2013, on our website.

Will KSC accept treatment invoices for treatment if the claim is denied by insurance?

Yes, the KSC will pay for offender treatment if it is denied by an offender's insurance company. The treatment will still need to meet the current program requirements and a copy of the denial of service from the insurance company will need to be forwarded to the KSC.

The above questions were the most common questions received after the announcement of the insurance billing change in late August. The KSC is committed to providing all appropriate treatment to SB 123 offenders and will work with providers to ensure that treatment is funded at the agreed upon rate. We greatly appreciate the feedback we have received and encourage you to contact Jarod Walter, SB 123 Program Manager, with any questions you have regarding the new policy. Thank you.


Scott M. Schultz
Executive Director



2003 SB 123—A Program That Works

The purpose of this program is to implement, administer, and evaluate prison alternative, mandatory treatment sentencing for non-violent drug possession offenders. The following information highlights the practical and financial benefits to the state of Kansas.

In a 2014 study of the SB 123 program by the University of Cincinnati, several key findings were issued:

- ⇒ The percent reduction in relative odds of a new conviction when successfully completing the SB 123 program is **75%**
- ⇒ SB 123 offenders were **25-30%** less likely to recidivate than non-SB 123 offenders
- ⇒ SB 123 cases had a lower rate of re-conviction (7.7%) when compared to non-SB 123 cases (10.6%)
- ⇒ SB 123 offenders tended to be less likely to commit new crimes and also took longer to re-offend than regular probationers after treatment/supervision terminated.

Illustrated to the right, the cost per year to treat a drug possession offender in the community through the SB 123 program is substantially less than the cost of incarceration.



As a preventative program, real SGF savings exist in funding the 2003 SB 123 substance abuse alternative program as proposed by the Commission. The current request of \$280,620 for FY 16 is similar to that of FY 13 appropriations. Failure to fund this program with the requested amount would likely result in this scenario:

	2003 SB 123	Prison
Offender cost/year/placement	\$4,288	Up to \$24,500
No. of offenders affected	66	66
Total cost/year/disposition	\$280,820	Up to \$1,617,000

Even if only half of the SB 123 eligible offenders went to prison (33) due to lack of funding, the cost to incarcerate this population would be up to \$808,500 or almost **three** times the cost of placing the offenders in SB 123, a community-based substance abuse program that has been proven to lower recidivism.

Please support the Commission’s \$280,820 enhancement request for FY 16.

