

May 30, 2007

[Name]

[Provider Name]

[Provider Address]

[Provider City, State, Zip]

Dear [Name];

In the next 30 days, [Provider Name] will receive a check from Magellan Behavioral Care of Iowa for \$XXXX as an incentive payment for Iowa Plan DPH-funded substance abuse services provided during the July 2005 - June 2006 contract year.

The 2005-06 incentive plan, developed by DPH and Magellan, was implemented as follows:

1. A base incentive amount was established for all providers.
2. Funding above the base incentive was directed to those providers who maintained incentive clients in DPH-funded treatment longer than the funded average length of stay.
3. The incentive population for the 2005-06 contract year included those clients reported on SARS/I-SMART for the contract year with the following characteristics:
 - DPH funding as the sole source of payment for services
 - discharged from substance abuse treatment during the contract year
 - not a Meth client served by a provider with a Meth Contract for extended length of stay
4. SARS/I-SMART data were reviewed for each provider to identify incentive clients. The average length of stay/number of sessions for those clients at that provider, sorted by level of care, was calculated and compared against the funded average length of stay/number of sessions for DPH clients. A treatment episode average length of stay for incentive clients was determined for each provider and was compared against the DPH-funded treatment episode average length of stay. Those providers whose incentive client average length of stay exceeded the DPH-funded average length of stay were eligible for incentive funding in addition to the base incentive amount.

Thank you for your continued service to DPH substance abuse clients!

Sincerely,

Tom Newton, Director
Iowa Department of Public Health

Kathy Stone, Associate Executive Director
Magellan Behavioral Care of Iowa