

Review of the cost of CCCC drug and alcohol services: Final report and recommendations

In August 2010, VAADA released the *Review of the cost of Counselling Consultancy and Continuing Care (CCCC) drug and alcohol services* commissioned by VAADA and produced by KPMG. The report provides evidence of significant structural underfunding across the Victorian Alcohol and other Drug sector.

The analysis undertaken by KPMG has found the cost model currently used by the Department of Health does not fully reflect the cost pressures facing agencies. Moreover, the current cost model appears to be underfunding CCCC providers in 2009/10 by up to \$15,894 on the \$87,303 provided for 110 EoCs, representing 18 per cent of base funding.

The underfunding of CCCC services must be addressed as a matter of urgency to ensure agencies can deliver quality and sustainable services to the Victorian community now and into the future.

Further, the report exposes not only cost pressures and underfunding but a number of other structural impediments that need to be addressed. We believe the Victorian Government's vision for a high quality, evidence based drug treatment system is laudable and achievable but requires a commitment to work in partnership with VAADA and the sector to address a range of long-running systemic issues.

In light of the findings of the report, VAADA makes the following recommendations to Department of Health:

1. As a matter of urgency, the Department of Health immediately fund the full cost of providing Counselling Consultancy and Continuing Care (CCCC) to enable alcohol and drug services to deliver quality and sustainable support to the Victorian community. This means addressing the shortfall by funding each existing CCCC position at a rate of \$103,197 per 110 Episodes of Care (EoC) plus adjustments for inflation for the 2010/11 financial year.¹
2. That the Department of Health acknowledge the capacity limitations of the current CCCC EoC model and commit to a review of this measurement in the interest of service quality. Any review of the current CCCC EoC model should be undertaken in partnership with VAADA and the sector.
3. That the Department of Health commit to a regular and transparent schedule for reviewing the unit costs across the AOD sector and explain the relationship between the findings of any future reviews and government decision making behind funding levels.
4. That the Department of Health fund VAADA to commission further reviews of the cost of service delivery across all alcohol and drug treatment types, in consultation with the AOD sector.

We urge the Department of Health to work in partnership with VAADA and the Victorian AOD sector to determine the best way forward in the light of the review's findings.

A full copy of the report can be downloaded at <http://www.vaada.org.au>

Endorsed by the VAADA Board in August 2010.



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¹ These figures are based on the current CCCC funding. VAADA notes the recent Department of Health tender for *Therapeutic Alcohol and other Drug Multidisciplinary teams in Growth Corridors* detailed a new funding model providing for significant increases in overhead funding and provision of a clinical supervisor. VAADA has sought urgent clarification from the Department of Health on this new costing model and if existing CCCC are to be funded at the rate detailed in the tender documentation.