

Enhancing Prevention Practices Through Alcohol and Other Drug Entity Licensure



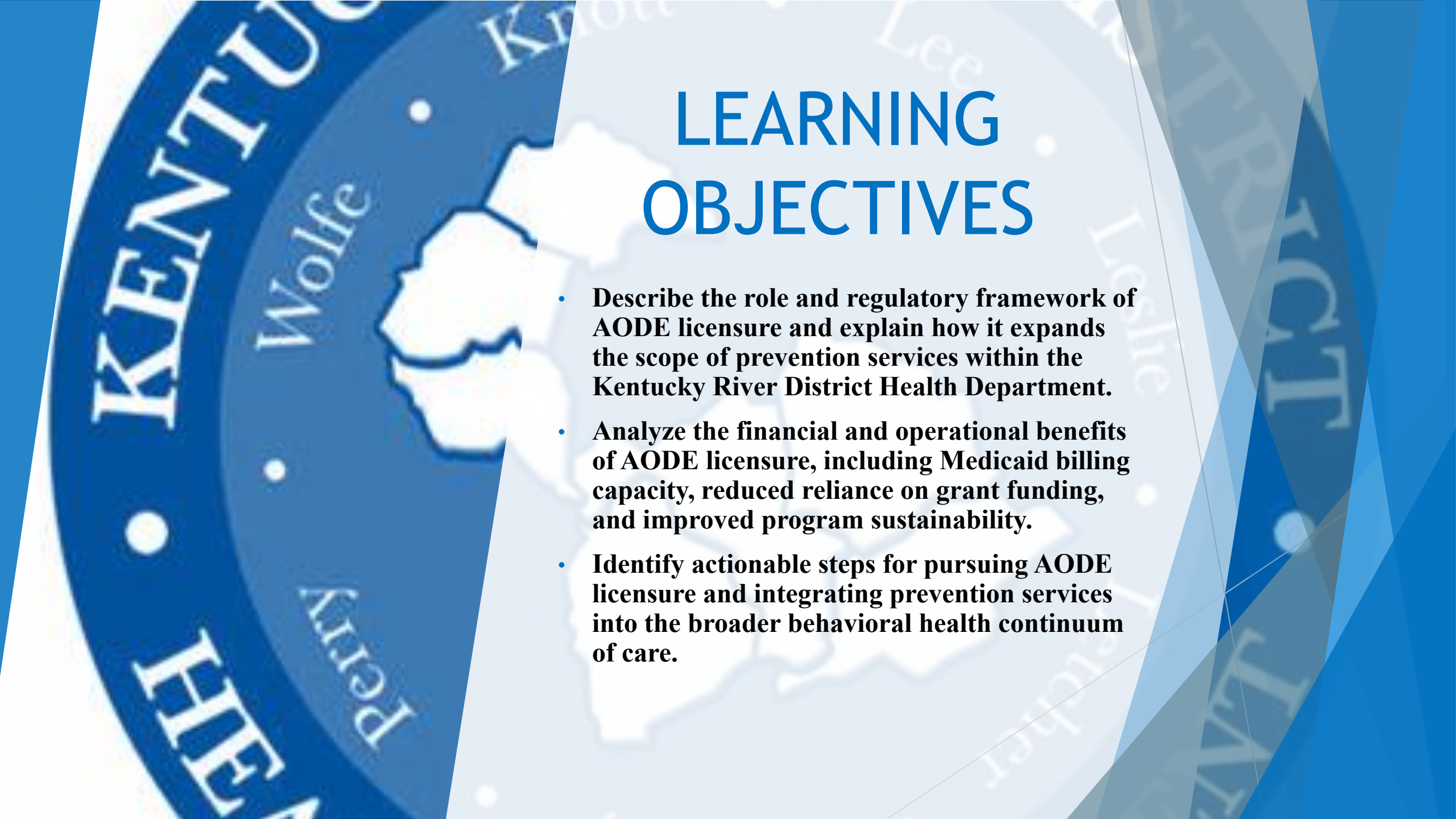
Michael Nix MSW, CSW, LCADC
Clinical Services Supervisor



Sara Shouse
Targeted Case Manager

WELCOME TO THE 2026 KENTUCKY OVERDOSE PREVENTION SUMMIT.



The background of the slide features a large, semi-transparent logo of the Kentucky River District Health Department. The logo is circular with a blue border containing the text "KENTUCKY RIVER DISTRICT HEALTH DEPARTMENT" in white. Inside the circle, there is a map of Kentucky and the name "Wolfe" in a script font. The slide itself has a light blue background with geometric shapes and a faint map of Kentucky.

LEARNING OBJECTIVES

- **Describe the role and regulatory framework of AODE licensure and explain how it expands the scope of prevention services within the Kentucky River District Health Department.**
- **Analyze the financial and operational benefits of AODE licensure, including Medicaid billing capacity, reduced reliance on grant funding, and improved program sustainability.**
- **Identify actionable steps for pursuing AODE licensure and integrating prevention services into the broader behavioral health continuum of care.**

Kentucky River District Health Department



The Kentucky River District Health Department serves seven different counties: Lee, Owsley, Wolfe, Perry, Knott, Letcher, and Leslie County. Our District Office is located in Perry County.

VISION: Empowering the residents of Eastern Kentucky to make healthier choices for themselves and their communities.



Programs Offered at KRDHD

Preventative Services: immunizations, health screenings, etc.

HANDS

WIC

Health Education: covers multiple topics including tobacco cessation, healthy eating, car seat safety, etc.

Home Healthcare

Emergency Preparedness

Environmental Health

Prevention Services

- ▶ Ryan White Program - provides case management services for individuals who are HIV positive - this includes HIV care, treatment, and help accessing additional essential services
- ▶ The Hub and The Hub on Wheels

The Hub - Lee County

► The First Hub opened in Lee County on February 2nd 2022. Located across the street from Lee County Health Center, our goal was to have a “one stop shop” for any person who struggles with substance use or has been affected by substance use.

Introducing



Located at:
The Lee County Health
Department Annex
45 Center Street
Beattyville, KY
606-216-6483



- Recovery Coaching
- Offender Corrections Education
- Emergency Food & Clothing
- Transportation
- Help for Family & Friends
- CR, AA, NA, Relapse Prevention
- SMART Recovery
- Parenting Classes
- Overdose Response
- Casey's Law Advocacy
- Substance Use Treatment
- Sober Living/Transitional Housing
- Employment Readiness
- Leave Behind Program
- New Beginnings Program
- Food Commodities (60+)
- Telehealth- physical & behavioral
- Anger Management

One Stop Resource Center for anybody in **Addiction** and **Recovery**!
Come See Us!

The Outcomes

- ▶ By September 2022 The Hub had been visited 567 by 284 different individuals
- ▶ We had assisted 76 individuals find SUD treatment
- ▶ Helped 8 different families with the Casey's Law process
- ▶ Provided tents and blankets to 34 homeless individuals
- ▶ Had 14 female inmates and 16 male inmates from Three Forks Regional Jail enrolled in SMART Recovery classes
- ▶ Averaged 60 people between our Alcoholics Anonymous and Celebrate Recovery groups
- ▶ Distributed 356 emergency food bags
- ▶ Our clothing closet was accessed 125 times



All HUB Locations



Lee
HUB

Lee HUB
45 Center St.
Beattyville, Ky. 41311
(606) 919-1338



Owsley
HUB

Owsley HUB
134 North Mulberry St.
Booneville, Ky. 41314
(606) 216-0949

Letcher
HUB

Letcher HUB
50 East Main St.
Whitesburg, Ky. 41858
(606) 216-0071



Knott
HUB

Knott HUB
64 Health Dept. Lane
Hindman, Ky. 41822
(606) 212-0020 ext. 407

Where everyone is welcome!



Replication

- ▶ Since the opening of our Lee County location in 2022 we have been able to replicate these services in three other counties in the Kentucky River District: Knott, Letcher, and Owsley Counties.

UNCERTANTY WITH GRANT FUNDING

Like most, our overdose and SUD prevention efforts have been totally reliant upon grant funding. Recent shifts in policy and leadership priorities required that we find a solution that would allow our prevention efforts to continue while working towards becoming fully self-sustaining.



KENTUCKY RIVER DISTRICT HEALTH DEPARTMENT LEADERSHIP



**A. SCOTT LOCKARD, MSW,
CSW**

Public Health Director IV



**MELISSA SLONE, DSW,
CSW**

Chief Operations Officer





Commonwealth of Kentucky Cabinet for Health and Family Services

Certifies that	Kentucky River District Health Department
is authorized to operate	Lee County Health Center Kentucky River District Health Department
located at	45 Center Street Beattyville KY 41311
License Number	812077

Pursuant to KRS 222.231 and the regulations promulgated thereunder, this license is effective January 16, 2025 and valid until January 31, 2026 unless action is taken by the Cabinet to deny, suspend, or revoke the license for failure to meet applicable standards and requirements. This license is not transferable and is limited to the above entity and for the services indicated below.

Alcohol and Other Drug Entity

Outpatient Treatment
Intensive Outpatient Treatment

Katherine R. Marks, Ph.D.
Commissioner

Eric C. Friedlander
Secretary

TEAM

January 2025

The Kentucky River District
Health Department was
approved for an AODE license
for outpatient services at the
Lee County Health Center

WHAT IS AN AODE AND HOW WILL IT BENEFIT PREVENTION INITIATIVES?

AODE: Alcohol and Other Drug Entity

An AODE is a **licensed, non-hospital, non-medical facility or program** that provides treatment and services for substance use disorders.

Under Kentucky regulations, an AODE can offer a wide range of substance use services, including:

- ***Outpatient treatment***
- ***Intensive outpatient (IOP)***
- Partial hospitalization
- Residential/inpatient treatment
- Withdrawal management (detox, including medication-assisted treatment)
- Narcotic treatment programs (e.g., methadone or buprenorphine clinics)
- Transitional living or recovery housing programs

Key characteristics

- **Licensed by the state** (must meet regulatory standards)
- **Non-hospital setting** (community-based programs)
- **Provides structured treatment** for substance use disorders
- **Can include mental health/co-occurring treatment or referrals**

State Regulations Related to AODE

► 908 KAR 1:370 : Licensure & Administrative Requirements

AODEs must have:

- Written policies and procedures (everything from admissions → discharge)
- Governing body or leadership structure
- Quality assurance / performance improvement process
- Incident reporting system
- Client rights policies

Required documentation systems:

- Clinical records for every client
- Confidentiality compliance (HIPAA + 42 CFR Part 2)
- Treatment planning and progress notes
- Discharge summaries

908 KAR 1:372 : RESEDENTIAL AODE REGULATIONS

908 KAR 1:315 : COURT-RELATED & DUI SERVICES

AODE SERVICES IN RELATION TO COMMUNITY BASED PREVENTION PROGRAMS

In Kentucky AODE programs, **Outpatient (OP)** and **Intensive Outpatient (IOP)** services are built around a core set of clinical functions required under 908 KAR 1:370 and aligned with ASAM levels of care. The difference between OP and IOP is mostly intensity and frequency, not the types of services.

Services Include:

- Screening & Assessment
- Treatment Planning
- Individual and Group Counseling (The backbone of OP services)
- Case Management
- Drug Screening
- Discharge and Relapse Prevention Planning
- Life-skills/Psychoeducation
- Peer Support & CHW services
- DUI/Court Order Programming

Common Prevention Program Services

- Assessment & Screening
- Alcohol & Drug Education
- Life Skills or Decision-Making Education
- Substance Use Awareness Education
- Basic Relapse/Risk Prevention Education
- Monitoring & Compliance Reporting (DOC, DCBS, Pre-trial, etc.)
- Referral Services
- Narcan Distribution
- Access to food
- Case Management
- Peer Support & CHW Services

Are you not already offering some of these services in some capacity?

Location Requirements

The truth is that your existing location may already meet the requirements considering they are quite simple. You will find the requirements under **908 KAR 1:374**.

Must Meet All Local Building & Safety Codes

•The facility must comply with:

- Local **building codes**
- Zoning ordinances
- State and county regulations



Public Identification Requirements

Your AODE outpatient site must have a **visible sign** with:

- **Proof of ownership**
- Program name
- Address
- Hours of operation

•Maintain a **publicly listed phone number**



Fire Marshal Approval (Big one, common hold-up)



•Site must be **approved by the Kentucky State Fire Marshal** before licensure or after relocation

Multiple Programs at One Location

If you want to place an AODE outpatient inside of your existing SUD or overdose prevention facility declare enough space for a group room, office, record storage, and reception as a “suite” and have that portion licensed as an AODE



Potential funding an AODE Outpatient generate

MEDICAID BILLING

Once AODE licensure has been obtained, and both the individual provider **National Provider Identifier (NPI)** and the organization's NPI have been established, the next step is to apply for enrollment as a Kentucky Medicaid provider. This process requires the submission of a formal application and can take time to complete, so appropriate planning is recommended. Following approval as a Medicaid provider, the organization must then enter into contracts with one or more **Managed Care Organizations (MCOs)**. MCOs are insurance entities responsible for managing and reimbursing healthcare services for Medicaid members.



If possible, prior to or during the NPI acquisition and initial Medicaid application process, it is advisable to identify which Managed Care Organizations (MCOs) your target population most commonly utilizes. This allows you to prioritize contracting with those MCOs to facilitate more timely access to services for your clients and reimbursements for your organization.

Potential funding continued

KENTUCKY AODE DUI PROGRAM

AODE DUI programming refers to state-regulated services provided by Alcohol and Other Drug Treatment Entities (AODEs) for individuals charged with or convicted of Driving Under the Influence (DUI) or similar offenses. These services are typically court-ordered and are governed in part by **908 KAR 1:315**. DUI programs require separate application(s) process that you may access via Kentucky Online Gateway after your initial AODE license has been approved.

Payment for DUI program services will depend on the type of services that the client requires and will include a mixture of self-pay, Medicaid, and private insurances.

ORGANIZATIONAL BENEFITS BEYOND FUNDING

Expanded Continuum of Care: An AODE allows the health department to offer more than prevention and basic services.

Improved Patient Outcomes: Through expansion of services.

Better Care Coordination: By having the ability to link prevention clients directly to care

Improved Relationships with the Legal System: By broadening referral possibilities through IOP, DUI Programming, etc.

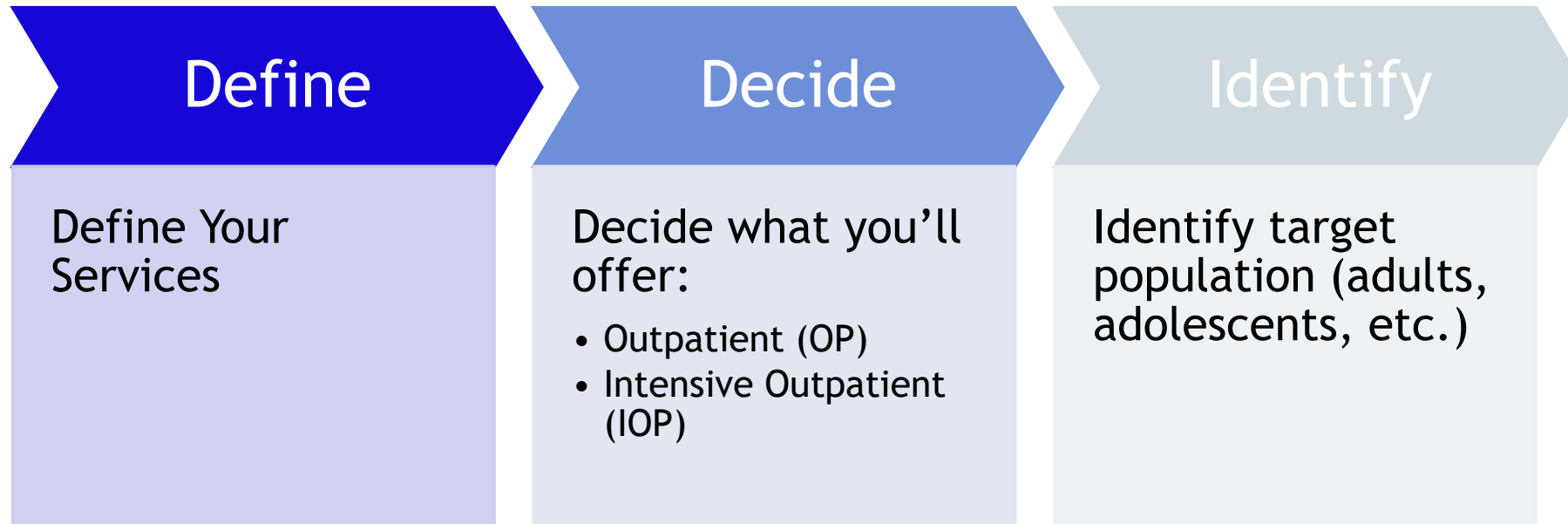
Workforce Development & Retention: Giving employees the opportunity to receive clinical supervision and potentially become licensed promotes retention.

Stronger Community Impact: By making the transition from treatment referral source to treatment provider.

STEPS TO BECOMING A LISCENCED AODE

Plan → Site → Staff → Policies → Apply → Inspect → License → Bill

#1: Decide what services you will offer



#2: Determine the location



Secure a Compliant Location

- Confirm zoning approval
- Meet building and safety codes
- Obtain **Fire Marshal approval**
- Ensure required space:
 - Offices
 - Waiting area
 - Restroom

#3 Determine your organization's identity



Establish Your Organization

- Create legal entity (LLC, nonprofit, health department, etc.) or determine if your current organization can become licensed.
- Obtain:
 - **Organization NPI**
 - **Provider NPIs** (for clinicians)

#4. Hire qualified staff



Hire Qualified Staff

- Designate a **Clinical Services Supervisor (CSS)**
- Hire credentialed staff (CADC, LCADC, LCSW, LPCC, etc.)
- Ensure supervision structure is in place
- Ensure any and all PSS or CHW are properly credentialed.

#5. Establish organizational policy and procedure



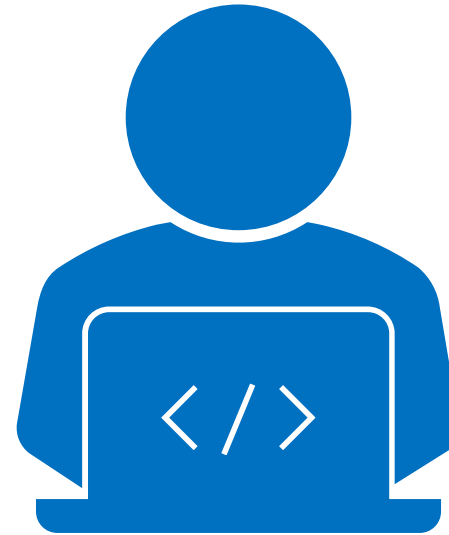
Develop Policies & Procedures

- Admissions & discharge
- Assessment & treatment planning
- Confidentiality (HIPAA & 42 CFR Part 2)
- Client rights & grievances
- Emergency and safety procedures

#6. Submit the application

Submit the AODE Application

- Apply through the **Kentucky Online Gateway (KOG)**
- Submit:
 - Application forms
 - Policies
 - Staff credentials
 - Facility details
- Pay required fees



#7. Complete any review request

State	State Review Request
Respond	Respond to any requests for corrections promptly
Ensure	Ensure documentation aligns with 908 KAR 1:370 & 1:374

#8. Site Inspection

Facility walkthrough

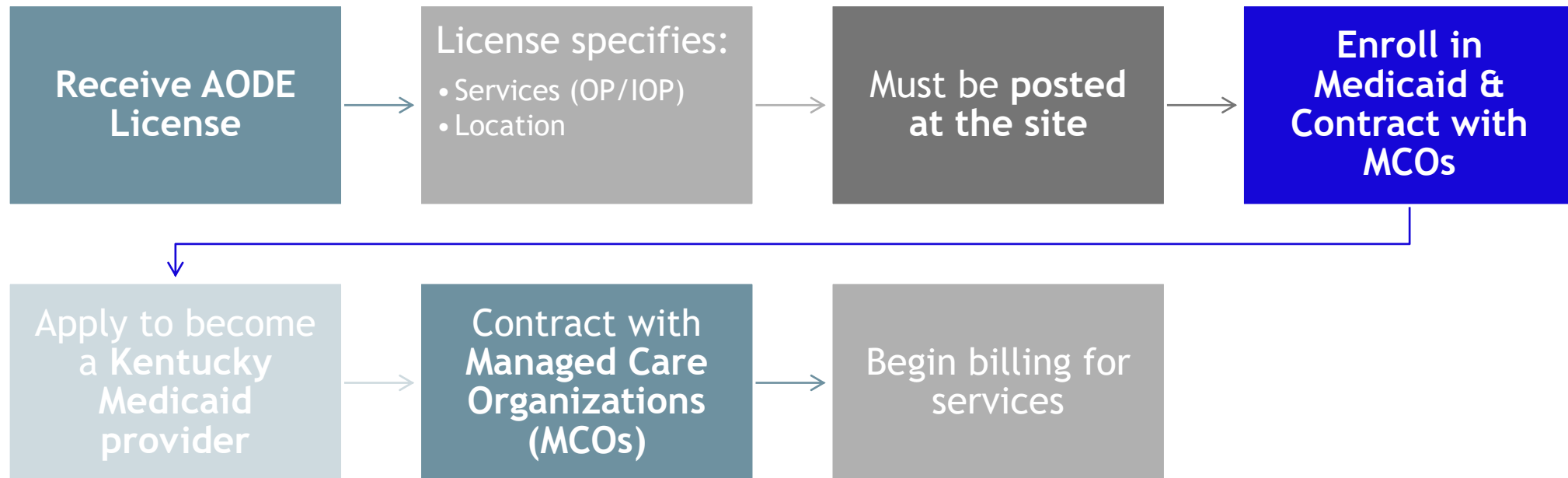
Staff verification

Policy and documentation review

Safety and compliance check

Have mock files for review at initial inspection

#9. Receive License then enroll with Medicaid and MCO's



QUESTIONS?????

