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ADMS BLOCK GRANT: Drug Treatment Services Could Be Improved by New Accountability Program

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Select Committee on Narcotics
Abuse and Control
House of Representatives

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SUMMARY

The Congress receives limited information on the results of states' drug abuse treatment services funded by the Alcohol, Drug Abuse, and Mental Health Services (ADMS) Block Grant. In examining how states implemented a 1988 ADMS requirement to obtain peer reviews of their drug treatment services, GAO reviewed 10 states' ADMS-related documents and interviewed federal and state officials involved in administering ADMS funds. The states selected received about 60 percent of the ADMS funds appropriated for fiscal year 1990.

State annual reports and block grant applications provide limited information on the nature of state drug abuse treatment activities or on the quality and appropriateness of services. The Department of Health and Human Services (HHS), through the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA), oversees the state administration of drug treatment funds. HHS provides minimal oversight of state activities because of a departmental policy that it will defer to states' interpretation of block grant statutes unless it finds the interpretation to be clearly erroneous.

To enhance states' use of the ADMS Block Grant, ADAMHA created the Office for Treatment Improvement (OTI) in 1990. OTI has developed a program that could help assure that drug treatment services supported by ADMS funds are effective in reducing drug abuse. The program is designed to provide technical assistance, monitoring, and collect data.

OTI's program is intended to improve services and increase state accountability for ADMS funds. Consistent with HHS's policy to grant states wide administrative discretion, however, implementation of OTI's program will be left to the states. If states choose not to implement OTI program improvements and monitoring activities, the full potential of the OTI program may not be realized.

GAO recommends that HHS establish reporting requirements that will provide HHS with information to determine whether states are providing drug treatment programs and services that are effective. GAO also recommends that HHS report to the Congress by 1995 on the progress of OTI's program.

Mr. Chairman and Members of the Committee:

I am pleased to be here to summarize our report that is being issued today on the Department of Health and Human Services's (HHS) oversight of drug abuse treatment services supported by the Alcohol, Drug Abuse, and Mental Health Services (ADMS) Block Grant.[1] At issue is whether states are spending these block grant funds on drug abuse treatment programs that work and whether the Congress receives the information it needs to assess the impact of the federal investment in drug abuse treatment services. I think it will be useful, therefore, to first provide some background on several changes to the ADMS Block Grant legislation that occurred in 1988, HHS's block grant policy, and a new federal accountability program designed to improve and monitor the delivery of drug treatment services and obtain better information on what states will do and have done with ADMS Block Grant funds[2]. Then, I will discuss our methodology, findings, and recommendations.

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[1]ADMS Block Grant: Drug Treatment Services Could Be Improved by New Accountability Program, GAO/HRD-92-27.

[2]Accountability refers to states' obligations to the federal government to monitor, report on, explain, or justify the activities supported by the ADMS Block Grant.

BACKGROUND

Since 1981, states have been required to provide the Secretary of HHS with information on their ADMS Block Grant activities. The Anti-Drug Abuse Act of 1988 contained a new requirement that states must agree to provide for

> "... periodic independent peer review to assess the quality and appropriateness of treatment services provided by entities that receive funds from the State ...."

However, the act did not define the terms "peer review," "quality," or "appropriateness" or specify the processes to be used to implement this requirement.

In addition, the act removed language that previously prohibited HHS from (1) prescribing the manner in which states should comply with the act's requirements and (2) establishing burdensome annual reporting requirements.

HHS OVERSIGHT

HHS, through its Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) has provided minimal oversight of ADMS Block Grant funds. This minimal oversight reflects the Department's interpretation of the 1981 block grant legislation.

This interpretation is expressed in regulation 45 C.F.R. 96.50(e) which states that the agency will

> ". . . defer to a State's interpretation of its assurances and of the provisions of the block grant statutes unless the interpretation is clearly erroneous."

HHS oversight is also influenced by Presidential Executive Order 12612 of October 26, 1987, which advises federal agencies to be guided by the fundamental principles of federalism, and grant states the maximum administrative discretion possible. The overall effect of HHS's policy has been to give states wide discretion in implementing the legislative requirements related to the grant. This means that whatever a state does in response to these legislative requirements is likely to be viewed as in compliance, unless HHS finds the state's interpretation clearly erroneous. To date, HHS has rarely issued official determinations that a state's interpretation was clearly erroneous.

In early 1990, ADAMHA created the Office for Treatment Improvement (OTI) to help states improve the services supported by ADMS Block Grant funds and better manage these funds. OTI is developing a program to enhance state and federal accountability for the use and oversight of drug treatment funds.

SCOPE AND METHODOLOGY

To examine how states have implemented the 1988 legislative peer review requirement we selected 10 states--California, Florida, Illinois, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Texas--that received about 60 percent of the ADMS Block Grant funds appropriated for fiscal year 1990. We also reviewed fiscal year 1989 annual reports on states' ADMS Block Grant activities and used a structured instrument to conduct telephone interviews in January 1991 with state substance abuse officials. To examine HHS's plans for enhancing state accountability for federally supported drug treatment services, we interviewed HHS and OTI officials and reviewed numerous documents.

Our work was performed from December 1990 to June 1991 in accordance with generally accepted government auditing standards.

STATE REVIEW ACTIVITIES LIMITED IN ASSESSING QUALITY AND APPROPRIATENESS

In our review of state activities implementing the peer review requirement, we found that the 10 states we examined use licensing and certification processes that do not fully address the quality and appropriateness of drug treatment services. These processes were in place before the peer review requirement

was established. The monitoring that occurs as part of these processes involves checking that providers have policies for personnel management, physical plant, and other administrative issues. States are implementing these processes in different ways in terms of the organizations conducting the reviews and how results are used. We also found that most states do not have formal definitions of quality and appropriateness. Most of the state officials we interviewed interpreted quality as a drug treatment program's compliance with state standards and regulations. Some state officials did not define quality because either the state did not have an official definition or the state did not make such judgments. In terms of appropriateness, nine state officials told us that an appropriate drug treatment program is one that suits or fits the needs of clients.

STATE REPORTS AND APPLICATIONS CONTAIN LIMITED INFORMATION

Under HHS's voluntary compliance policy, the Secretary has not exercised his authority to specify how states should comply with legislative block grant requirements nor how they should report on their block grant activities. As a result, states provide HHS with limited and diverse information in their ADMS Block Grant annual reports and applications. State annual reports vary significantly in the information provided on drug

treatment services, making comparisons or assessments of federally supported drug treatment services difficult.

For the fiscal year 1989 annual reports from the states, ADAMHA asked states to describe their peer review procedures, including a definition of peer review; the individuals responsible for conducting reviews; and the frequency of such reviews. In analyzing state reports to ADAMHA and information from the 10 states we reviewed, we found that these reports presented vague and incomplete information about how states were complying with the peer review requirement.

We found that information is limited not only on the implementation of the peer review requirement but also on the intended use of ADMS Block Grant funds for drug treatment services. In states' ADMS Block Grant applications, ADAMHA requires that states provide general descriptions of the intended use of funds for drug treatment and submit various administrative assurances and certifications. ADAMHA asked states in their fiscal year 1991 application to voluntarily provide additional information in a uniform format. For example, states were asked to provided information on the populations, areas, and localities with the greatest need for drug abuse services and information on the states' capability to provide treatment; that is, the states' treatment capacity. Of 26 states that voluntarily provided information in a uniform format, only 10 provided all the

requested information and 16 provided incomplete information. The remaining states opted to submit the old application that did not request additional information.

OTI'S PROGRAM AIMS TO HOLD STATES MORE ACCOUNTABLE

In mid-1990, the Office for Treatment Improvement began to develop its State Systems Development Program (SSDP). This program is intended to assist states in assuring HHS and the Congress that services supported by ADMS funds are used to provide drug treatment that is effective in reducing drug abuse. Specifically, OTI's SSDP is expected to:

-- develop and provide states with treatment improvement protocols (TIPs), which are to be used as drug treatment program guidelines[3];

-- identify weaknesses in drug treatment services through technical performance reviews of state drug treatment activities and to then improve performance by offering technical assistance;

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[3]In addition, federal drug treatment program guidelines could assist states in implementing the requirement to perform peer review by providing criteria for assessing the quality and appropriateness of services.

-- provide additional uniform information to HHS and federal policymakers on the delivery of drug treatment services through ADMS Block Grant applications and annual reports; and

-- assist states in conducting needs assessments in order to obtain data on the incidence and prevalence of substance abuse.

HHS POLICY MAY LIMIT OTI PROGRAM

OTI's program is intended not only to improve drug treatment services but also to have the effect of increasing state accountability for ADMS funds by improving the quality of information provided by the states. However, as mentioned earlier, HHS's voluntary compliance policy generally defers to a state's interpretation of ADMS Block Grant requirements and does not require states to report uniform information on their planned and actual use of block grant funds.

With the development of treatment standards and a framework for their use in drug treatment programs and services, OTI's State Systems Development Program (SSDP) represents an important step towards treatment improvement. While we believe the SSDP has promise for improving the quality and effectiveness of drug treatment services as well as providing better information on

drug treatment services, states will not be required under the current HHS policy to undertake all or any of the elements of the OTI program. Our recent work suggests that relying on voluntary compliance on the part of the states may limit the program's effectiveness.

CONCLUSIONS AND RECOMMENDATIONS

The federal government does not have the information necessary to assess the impact of its investment in drug abuse treatment services. Moreover, OTI's program to obtain better information from the states and to improve treatment programs may not be fully effective because of HHS's policy to make implementation of the program voluntary for the states. We believe that HHS needs to closely monitor the progress of the OTI program and keep the Congress informed of it. Specifically, we are recommending that the Secretary of Health and Human Services:

-- establish reporting requirements for the states that will provide HHS with information to determine whether states are providing drug treatment programs and services that are effective, and

-- report to the Congress by 1995 on the progress of OTI's State Systems Development Program. The report should

include information on states' implementation of OTI's treatment improvement protocols, state participation in federal technical performance reviews and the weaknesses identified, states' implementation of OTI Developmental Action Plans, and if applicable, the reasons for states not participating in the OTI program.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions.