State of New York
Office of the State Comptroller
Division of Management Audit and State Financial Services

OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

OUTCOME EVALUATION SYSTEM FOR TREATMENT PROGRAMS

REPORT 97-S-22

H. Carl McCall

Comptroller

State of New York
Office of the State Comptroller

Division of Management Audit and
State Financial Services

Report 97-S-22

Ms. Jean Somers Miller
Commissioner
Office of Alcoholism and Substance Abuse Services
1450 Western Avenue
Albany, NY 12203-3526

Dear Ms. Miller:

The following is our audit of OASAS' outcome evaluation system for treatment programs.

This audit was performed pursuant to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law. Major contributors to this report are listed in Appendix A.

Office of the State Comptroller
Division of Management Audit
and State Financial Services

July 21, 1998

Executive Summary

Office of Alcoholism and Substance Abuse Services Outcome Evaluation System for Treatment Programs

Scope of Audit

The Office of Alcoholism and Substance Abuse Services (OASAS) oversees the nation's largest substance abuse treatment system. OASAS records indicate that in 1997, New York had more than 1,200 programs that provided services to about 325,000 clients at a cost of about $734 million. OASAS is responsible for monitoring program effectiveness and providing funding support. In recent years there has been increased emphasis on measuring results achieved by government-funded programs, including alcohol and substance abuse programs. In the Fall of 1994, OASAS developed a four-phase evaluation plan designed to measure the effectiveness of its addiction treatment system. The four phases are the Client Data System (CDS), the Integrated Program Monitoring and Evaluation System (IPMES), the Workscope/Objective Attainment System (WOAS), and a treatment outcome study - the Health Outcome Monitoring and Evaluation System (HOMES).

Our audit addressed the following question about OASAS' outcome evaluation system for treatment programs for the two year period ended December 31, 1997:

- What is the status of OASAS' implementation of the outcome evaluation system and are providers complying with certain reporting requirements?

Audit Observations and Conclusions

We found that OASAS has made substantial progress in implementing its evaluation system. However, we noted that OASAS has encountered delays regarding certain aspects of its evaluation system. In addition, we found that providers are generally complying with the reporting requirements we tested.

OASAS has experienced problems in the CDS, which tracks important client information such as demographics, admissions and discharges. This data enables OASAS to track client census, service delivery activity, and client retention rates. However, OASAS encountered data entry backlogs, high error rates, and backlogs of errors requiring correction. These problems in turn affected subsequent phases of the evaluation system. For example, delays in the CDS caused delays in the IPMES and WOAS components because they utilize the CDS data. The IPMES and WOAS data will not be completely reliable until the CDS data errors are corrected. The CDS also caused delays in implementing the HOMES phase. The treatment programs in the study need to convert to online

client data reporting. However, programs cannot go online until all prior CDS errors are cleared up. As of March 1998, 44 of the 119 programs participating in the study were online. (See pp. 6-8)

These delays have caused slippage in the completion of various milestones established for the four phases compared to initial dates. For example, the implementation schedule indicates that the HOMES project would enroll clients between July 1996 and June 1997. However, enrollment had not started as of January 1998. OASAS officials are working to resolve the causes of the delays. We believe that the existing agency environment is conducive for OASAS staff and managers to successfully implement the evaluation system. (See p. 6)

In addition, providers must comply with certain requirements for the evaluation system to function properly. For example, providers must establish specific objectives for their programs and accurately and timely report to OASAS all client admissions and discharges. We tested whether providers complied with these and other selected requirements and found that providers were generally in compliance with the requirements we tested. (See p. 8-9)

We also identified issues that OASAS needs to address as it continues to implement its evaluation system. For example, OASAS plans to use the actual program progress, along with other information (site visits, regional staff knowledge) for funding decisions. However, officials have not developed a methodology for using performance data and other indicators in making objective funding decisions. OASAS also needs to address whether its goal of annual comprehensive site visits to each program is realistic given the staff resources available. OASAS made its site visit guidelines more comprehensive by including steps to review provider performance data. In addition, OASAS officials told us that the workload of the regional staff is being increased due to an expansion of 500 treatment beds, substance abuse prevention initiatives and new vocational programs. As a result, they believe that they will not be able to achieve the goal of annual comprehensive site visits. (See pp. 9-11)

We recommend that OASAS continue efforts to implement the program evaluation system and establish realistic site monitoring goals and a method to achieve them based on available resources.

Response of OASAS Officials

OASAS oficials generally agreed with our findings, conclusions and recommendations.

Contents

Introduction

Background

In New York State, drug and alcohol treatment programs are generally either State-operated or operated by not-for-profit organizations under contract with the Office of Alcoholism and Substance Abuse Services (OASAS). OASAS is responsible for monitoring the effectiveness of these programs and providing funding support. The goal of these programs is to address the needs of alcohol and substance-abusing and dependent individuals and their families and to assist them in the ongoing recovery process to attain self-sufficiency. Services are provided in either a residential or an outpatient setting, as part of either a methadone maintenance, alcohol treatment or drug-free treatment program.

OASAS oversees the largest substance abuse treatment system in the country. OASAS records indicate that in 1997, New York had more than 1,200 programs that provided services to about 325,000 clients. The total cost of programs that receive funding from OASAS was about $734 million in 1997.

In recent years there has been an increased emphasis on measuring the results achieved by programs funded by the government, including alcohol and substance abuse programs. For example, in December 1994, the New York State Senate held hearings on the need for OASAS to measure the outcomes achieved by the treatment programs. Some of our prior audits (reports 93-S-7 and 96-S-22) of drug and alcohol treatment programs recommended improvements in program monitoring, oversight and evaluation.

OASAS has taken steps to implement a new system to monitor and evaluate provider effectiveness and the outcomes achieved by clients that received treatment to ensure that treatment dollars are spent as cost effectively as possible. In the Fall of 1994, OASAS developed a four-phase evaluation plan designed to measure its addiction treatment system. The first three phases of the evaluation system are designed to enable OASAS to monitor for each program: the types of services provided, the type of clients treated, the program's objectives and effectiveness in achieving the objectives, the program's performance relative to similar programs, and the effect that treatment services have on clients. OASAS designed the fourth phase to obtain information on the effects that treatment services have on the clients after they leave treatment.

The first phase was creation of the consolidated Client Data System (CDS) to eliminate the inconsistencies in client data systems maintained by the former Division of Substance Abuse Services (DSAS) and the Division of Alcoholism and Alcohol Abuse (DAAA). The reporting requirements for treatment programs include information on client demographics, admission/discharge activity, client census, service delivery activity, and waiting list data. The CDS was implemented on July 1, 1995.

The second phase of the evaluation plan is the Integrated Program Monitoring and Evaluation System (IPMES), which monitors the performance of all licensed treatment programs on indicators such as client retention rates. OASAS can identify programs that are performing below statistical norms by comparing similar types of programs taking into consideration the functional severity of the clients that they treat. (A component called the Program Profile and Services Inventory provides a detailed description of the services provided by each program and the types of clients that the services are targeted towards.) Regional staff identify programs that perform below the norm to determine if a problem exists, and to recommend technical assistance and corrective actions when appropriate. Initial IPMES reports were developed in November 1995 based on data collected prior to the merger of the former DSAS and DAAA client data systems on July 1, 1995. As of January 1998, the IPMES was being merged with the third phase.

The third phase is the Workscope/Objective Attainment System (WOAS). A workscope cycle consists of the establishment of performance targets for certain mandatory and specific objectives and subsequent comparison of a program's actual performance to those targets. Similar to the IPMES, each program's progress towards its mandatory objectives is monitored automatically using data from the CDS. Programs must monitor, report and retain documentation of their progress towards program specific objectives. The targets and actual performance for a given year are then used to set new performance targets for the next fiscal year.

As of January 1998, programs were in the process of preparing workscopes for 1998. When the providers complete the workscopes for their programs for the upcoming contract years, they will be comparing their actual performance for 1997 with the planned objectives for the first time. Because there is some overlap between the IPMES and WOAS systems, OASAS is consolidating these two components.

The fourth phase, the Health Outcome Monitoring and Evaluation System (HOMES) project, is a longitudinal study designed to enable OASAS to measure the services that are provided to a sample of clients and the impact that the services have on the clients during treatment and the long-term impact after treatment. The structure of the project has been established and the participating programs have been selected. OASAS assisted the New York City Department of Mental Health, Mental Retardation and Alcoholism Services in a longitudinal pilot study to evaluate the treatment outcomes of four alcoholism outpatient programs. Based on the pilot study, the survey instruments and study protocols for the HOMES project have been created or refined.

The programs in the study will track services provided to clients and periodically administer an Addiction Severity Index (ASI) to clients every three months while they are in treatment. The ASI is a widely used instrument that assesses client functioning in seven areas: medical status; employment status; drug/alcohol use; family history; family and social relationships; legal status; and psychiatric status. This will enable OASAS to assess a client's progress while in treatment. After clients leave treatment, attempts will be made to contact them to readminister the ASI six months after leaving treatment. This retesting enables OASAS to determine a client's progress after treatment has ended, and whether the treatment has had a lasting effect.

Each month the programs must report for each client the type of treatment, the frequency (number of sessions) and the duration (actual number of minutes or hours of each session). The pilot study found that the programs had difficulty tracking and reporting the client data despite training provided to the program staff. The ongoing pilot study concluded that computer services are required to do such large scale monitoring and reporting to ensure the validity of the data. As a result, OASAS has decided to develop software programs and have participating programs schedule and track client interviews and report data form submissions online.

OASAS has also developed training materials for the HOMES requirements. From September to December 1997, OASAS officials held ten orientation sessions for program officials selected for the HOMES project. Over 360 people had been trained as of January 1998, and several more sessions are planned. Additionally, a contract with a consultant has been approved to provide ASI training to selected OASAS trainers, who in turn will train program staff. As of June 1998, officials stated that this training was in progress.

Audit Scope, Objectives and Methodology

We audited OASAS' practices relating to implementing an outcome evaluation system for treatment programs for the two year period ended December 31, 1997. The objectives of our performance audit were to determine the status of OASAS' implementation of the evaluation system and to determine whether providers were complying with certain reporting requirements. To accomplish these objectives, we interviewed OASAS managers about their program evaluation system, reviewed documents summarizing the status of the evaluation system, and tested compliance of providers and OASAS with requirements of the system.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those operations of OASAS that are included within our audit scope. Further, these standards require that we understand OASAS' internal control structure and compliance with those laws, rules and regulations that are relevant to OASAS' operations which are included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other audit procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendations.

We use a risk based approach to select activities for audit. We therefore focus our audit efforts on those activities we have identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, finite audit resources are used to identify where and how improvements can be made. Thus, little audit effort is devoted to reviewing operations that may be relatively efficient and effective. As a result, we prepare our audit reports on "an exception basis." This audit report, therefore, highlights those areas needing improvement and generally does not address those activities that may be functioning properly.

Response of OASAS Officials

Draft copies of this report were provided to OASAS officials for their review and comment. Their comments have been considered in preparing this report and are included in Appendix B.

Within 90 days after the final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Office of Alcoholism and Substance Abuse Services shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

Status of Evaluation System Implementation

Based on our review of relevant records and discussions with top officials, we concluded that OASAS has made substantial progress in implementing its evaluation system. To some extent, OASAS has already used IPMES and program performance data in budget decisions. For example, this information was used to apply both budget reductions and increases over the last three years. We also found that the evaluation design is comprehensive because it addresses both provider performance and the outcomes experienced by clients who receive treatment. Although the CDS, IPMES and WOAS phases are completed, they have not yet been fully integrated with OASAS' other key administrative systems, such as site review monitoring and the budget process. In the future, statistical information concerning program performance will be available from the system for review in advance of site reviews, and the results of site reviews will be available for use in developing workscope mandatory and program specific objectives.

The integration of the various systems has been delayed due to difficulties that OASAS has experienced in implementing its evaluation system. One area where OASAS has encountered problems is the CDS, involving data entry backlogs, high data error rates and backlogs of errors requiring correction. (These difficulties will be discussed in more detail in a subsequent section of this report.) As a result, these problems have caused slippage in the actual completion of various milestones established for the four phases compared to the initial time lines. For example, the implementation schedule indicates that the HOMES project would enroll clients between July 1996 and June 1997. However, enrollment had not started as of January 1998.

OASAS officials are working to resolve the causes of the delays. OASAS officials told us that system implementation is an agencywide top priority. Further, we believe that the existing agency environment is conducive for OASAS staff and managers to successfully implement the evaluation system.

Progress to Date

According to OASAS officials, delays in actual completion of some milestones versus the planned implementation dates are caused by lack of resources, logistical problems, unforeseen circumstances, and the difficulty of anticipating all of the detailed steps that are required in implementing such a complex system and how long the steps will take to actually

complete. They also indicated there are no other human service evaluation systems of comparable scope and complexity for OASAS to use as a model. According to OASAS officials, the delays they have encountered in implementing the systems so far were not unmanageable or even out of the ordinary. Additionally, they told us that in hindsight the original implementation schedule was overly optimistic.

An example of how these factors affected implementation is illustrated by the CDS. When the CDS was initially implemented, OASAS found that the data submitted by the providers contained many errors. A significant number of the errors resulted from the way providers completed the printed forms. For example, forms were incomplete, contained responses that were invalid or inconsistent, or were illegible and were misread by optical scanners. OASAS officials attribute the errors to their being overly optimistic about how quickly the individual treatment programs would be able to adapt to the new reporting requirements of the CDS.

Although OASAS can correct some of the errors relatively quickly, officials told us that the process to correct some errors can be very time consuming because the data forms must be returned to the programs for follow-up. The programs need to retrieve records from storage to determine the correct information, which adds to the delay. OASAS officials told us that a large backlog of uncorrected errors developed as a result. OASAS officials took steps to alleviate the backlog, including devoting additional staff resources to the backlog and distributing a bulletin to programs describing the types of errors that were occurring and providing guidance on how the errors could be prevented.

The problems with the CDS in turn affected subsequent phases of the evaluation system. For example, the delays in the CDS caused delays in the IPMES and WOAS components because they utilize the CDS data. The IPMES and WOAS data will not be completely reliable until the CDS data errors are corrected. The CDS delays also caused delays in the HOMES phase because the treatment programs in the study need to convert to online client data reporting. Online reporting is necessary because system edits will prevent the providers from making many types of errors. However, programs cannot go online until all prior CDS errors are cleared up. As of March 1998, 44 of the 119 programs participating in the study were online.

Another cause of delays is development of additional computer systems for the HOMES study. OASAS needs to develop a tracking system for clients in the study so that participating programs can determine when

clients should receive a retest of the ASI. Evaluation staff indicate that this type of system is needed because accurate reporting of services and timely administration of the ASI and other activities are critical for the results of the study to be meaningful.

OASAS' Management Information Systems (MIS) unit is responsible for developing the new client tracking system. MIS officials told us that when new systems are requested, their approach includes looking at the long term applicability of the system, and its usefulness to the providers. MIS officials told us that although this approach may take more time, they can not afford to spend limited resources developing applications that do not have broad, long term usefulness. For example, when data systems such as the client tracking system are requested for HOMES, MIS tries to identify the best way to implement a system that meets the needs of HOMES and the treatment programs.

Results of System Testing

OASAS' evaluation system has a number of requirements that providers and OASAS must comply with for the evaluation system to function properly. As part of our audit, we tested whether providers complied with the following requirements:

- submission of an approved workscope;
- establishment of required program specific objectives; and
- submission of a Program Profile and Service Inventory (PPSI).

We randomly selected 10 of 59 drug-free residential programs that were funded by OASAS in the 1996-97 fiscal year to test compliance with these requirements. We found that the programs we tested were in compliance with these evaluation system requirements.

In addition, the CDS data is the primary source for many of the indicators monitored in the IPMES and WOAS. This information enables OASAS to track indicators such as the length of stay, the portion of program capacity being utilized and client retention rates. It is therefore critical that each program accurately and timely report all client admissions and discharges to OASAS.

We tested whether a sample of 10 treatment sites for the 59 drug-free residential programs were in compliance with admission and discharge reporting. We found that nine of the ten programs were in compliance. The remaining program had submitted transactions on diskette using an

incorrect layout. Due to the volume of errors, OASAS and the program agreed that online reporting would begin January 1998.

Issues to be Addressed

During our audit we identified issues which OASAS needs to address as it continues to implement its evaluation system. One of these issues is development of criteria for using program performance data in making program funding decisions. OASAS officials stated that they planned to use the actual progress towards the objectives, along with other information (site visits, regional staff knowledge) for funding decisions after the 1998-99 State budget was enacted. However, they have not developed a methodology for using performance data and other indicators in making objective funding decisions. The establishment of specific criteria to utilize the performance data for funding decisions is very important so that the system is fair to the providers, works to encourage providers to maintain high performance levels, and does not weaken the provider system.

We spoke to several OASAS officials about the barriers to implementing a funding decision methodology and what features the methodology should include. Based on the feedback that we received from the officials, it appears that the following factors should be considered in development of the methodology:

- The performance data should be used most appropriately for decisions regarding which programs should be cut due to budget problems or which programs should be awarded additional monies due to budget increases.

- The system would need to consider the degree of failure, such as the number of objectives that were not met, and how much below the expected level the program's actual performance was.

- Funding should be affected only for the highest and lowest performing programs, but should not affect the programs that fall within a range of acceptable performance.

- Regional office staff that are knowledgeable of the programs should have input into the funding decision-making process.

- Programs should not be penalized for below-expected performance that is beyond their control; for example, a program's retention

rate could be affected by managed care programs referring clients who are not appropriate for the program.

A second issue that OASAS needs to address is whether its goal of annual comprehensive site visits to each funded treatment program is realistic given the staff resources available. OASAS made its site visit guidelines more comprehensive by including steps to review provider performance data. For example, the site visit guidelines require the reviewer to ensure that a PPSI has been submitted and that approved mandatory and program specific objectives have been established. The reviewer must also check the program's performance against objectives and recommend corrective action where appropriate, and test the timeliness and accuracy of CDS reporting.

When regional staff tested the comprehensive site visit guidelines, they found that it took more time to do the review and write the report (between one and two weeks) than it used to. The upstate and downstate regional directors told us that the workload of the regional staff is being increased due to an expansion of 500 treatment beds, substance abuse prevention initiatives and new vocational programs. As a result, they stated their belief that they will not be able to achieve the goal of annual comprehensive site visits.

If OASAS finds that available resources are not adequate to meet this goal, it should consider other approaches to ensure that providers that are the highest priority for comprehensive visits are identified and visited. Information from sources such as the IPMES and WOAS components, past performance and regional staff who are familiar with the providers can be useful in identifying providers that should be visited. Monitoring resources could be devoted to the remaining providers using approaches such as risk based methodology, limited scope reviews, a sampling approach or a combination of these methods. For example, OASAS officials told us that the fiscal audit unit uses a risk assessment methodology to devote audit resources. OASAS program staff stated their belief that they may be able to conduct limited scope site visits at some providers.

We also are aware that another State agency with similar site visit monitoring responsibilities established a solution when not all providers could be visited with available staff. The Bureau of Child Care, within the Department of Children and Family Services (formerly the Department of Social Services) is responsible for overseeing the provision of day care services to ensure that children are secure and receive quality services.

Regional staff are responsible for certifying and inspecting day care sites. Because an annual inspection of all sites is not feasible given the number of sites and available resources, the Bureau inspects a sample of at least 20 percent of the family care homes, child care centers and child care programs for school age children. OASAS may be able to use a similar approach. Use of a random sampling method could be used so that providers have an equal chance of being visited.

Recommendations

1. Continue efforts to implement the program evaluation system, including integration with other administrative systems, improvement of the reliability and timeliness of the CDS and development of a methodology to utilize performance data in funding decisions.

2. Establish realistic site visit monitoring goals and a method to achieve them based on available resources. Such a method should ensure that providers that are a high priority for a comprehensive visit are identified and visited, considering relevant information such as the provider's past performance and compliance with evaluation system requirements. OASAS should investigate other alternatives such as risk based selection, limited scope reviews and sampling methodologies, and develop a methodology to ensure that regional resources are utilized efficiently and effectively.

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June 29, 1998

Mr. Kevin M. McClune
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Re: Office of the State Comptroller's (OSC) Draft Audit Report (No. 97-S-22)/*Office of Alcoholism and Substance Abuse Services Outcome Evaluation System for Treatment Programs*

Dear Mr. McClune:

In accordance with Section 170 of the Executive Law and your related correspondence of June 3, 1998, the following is in response to the above-referenced Draft Audit Report.

In general, we found the Draft Report to be substantially consistent with the *Preliminary Audit Findings* provided at the conclusion of the audit. As we communicated to the auditors at the audit exit conference, we believe that the audit observations, conclusions and recommendations are fair and well balanced, and will prove helpful in our continuing efforts to complete the effective integration of our outcome evaluation system within our overall administration of the State's alcoholism and substance abuse treatment system. In this regard, we plan on providing a comprehensive response to the Final Audit Report, in terms of delineating the actions already taken, as well as planned to implement the audit recommendations.

We are resubmitting the following clarification to be incorporated in the Final Report. We previously included this clarification in our response to the Preliminary Findings Report, however, it was not accurately noted in the Draft Report:

- On page 3, the last sentence of the last paragraph should be amended to reflect that the consultant is providing ASI training to **OASAS selected trainers, who in turn will train program staff.**

Appendix B

In closing, I would like to commend the audit team that completed this particular audit. Throughout the audit, they were very receptive and fair; readily acknowledged the dedicated efforts and significant strides made by this Agency's staff in developing and implementing an outcome evaluation system; and genuine in following through with their initial assurances that the audit would be consultative in nature and of value to this Agency's continuing efforts to effectively administer the State's alcoholism and substance abuse treatment system.

Sincerely,

Jean S. Miller

Jean Somers Miller

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