

EXECUTIVE DIGEST

CENTER FOR SUBSTANCE ABUSE SERVICES

INTRODUCTION

This report contains the results of our performance audit of the Center for Substance Abuse Services (CSAS), Michigan Department of Public Health (MDPH), for the period October 1, 1991 through April 15, 1995.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness and efficiency.

BACKGROUND

MDPH established CSAS to carry out the State's substance abuse treatment and prevention program. The purpose of this program is to prevent and reduce substance abuse in the State. To fulfill this responsibility, CSAS administers the Michigan substance abuse network and licenses substance abuse service providers.

The network is funded by several sources. State appropriations of the federal substance abuse block grant and the State General Fund make up the majority of CSAS

funding. Additional funding is available to CSAS from State restricted funds, Medicaid funds, federal categorical substance abuse grants, and interdepartmental funds.

The network consists of three organizational levels: CSAS at the State level; 18 coordinating agencies (CA's) at the regional level; and, during fiscal year 1993-94, 346 publicly funded treatment and prevention service providers at the local level. As part of administering the network, CSAS contracts with each of the CA's. The CA's are city, county, or regional agencies. They are responsible for planning, coordinating, and contracting for direct substance abuse services within their regions. CSAS allocates funds to each CA from its appropriations. The CA's use this allocation to contract with and provide a substantial amount of funding to the local service providers.

As of March 15, 1995, there were 988 publicly and privately funded licensed treatment and prevention service providers. Some service providers perform both treatment and prevention services. As a result, CSAS issued 787 treatment and 536 prevention licenses during fiscal year 1993-94.

As of April 15, 1995, CSAS had 45 employees. CSAS expenditures totaled approximately \$96.8 million for the fiscal year ended September 30, 1994.

**AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS**

Audit Objective: To assess CSAS's efforts to evaluate the effectiveness of the State's substance abuse program.

Conclusion: CSAS had placed considerable effort in evaluating, and requiring the CA's and service providers to evaluate, the effectiveness of substance abuse services. However, we noted a reportable condition pertaining to program outcome measures (Finding 1).

CSAS had also placed considerable effort in establishing an annual internal planning process that required the establishment of objectives and the evaluation of progress toward achieving the objectives. We noted a reportable condition pertaining to CSAS goals and objectives (Finding 2).

Noteworthy Accomplishments: CSAS issued its first program evaluation guidelines in fiscal year 1991-92 for the CA's to use in conducting regional and local evaluations. The program evaluation guidelines were revised in fiscal year 1993-94 to emphasize the multiple purposes of program evaluation and the need to integrate program evaluation and program planning. CSAS also started to standardize several of the variables that it thought hindered its ability to evaluate the effectiveness of client outcomes.

Audit Objective: To assess CSAS's development and implementation of annual comprehensive State plans for the use of public funds for substance abuse treatment and prevention.

Conclusion: CSAS effectively developed and implemented annual comprehensive State plans. However, we noted a reportable condition pertaining to the Statewide planning process (Finding 3).

Noteworthy Accomplishments: In September 1992, CSAS was awarded a three-year federal contract to conduct several needs assessment studies. The purpose of the studies is to identify populations and locations with relative levels of need for substance abuse services and to revise the funding allocation methodology based on relative need for services. The results of three of the studies are expected to be available during fiscal year 1994-95.

Audit Objective: To assess CSAS's effectiveness in administering and coordinating public funds for substance abuse treatment and prevention services.

Conclusion: CSAS was generally effective in administering and coordinating public funds for substance abuse treatment and prevention services. However, we noted reportable conditions pertaining to CSAS's annual CA and service provider monitoring procedures and MDPH audit review procedures (Findings 4 and 5).

We also noted reportable conditions pertaining to CSAS's contract development and administration procedures, sliding fee scales, CA match requirements, and fees and collections (Findings 6 through 9).

Noteworthy Accomplishments: CSAS significantly increased its program monitoring efforts during the audit period. Starting in fiscal year 1991-92, CSAS reestablished annual on-site CA monitoring visits that had not been conducted since 1984. CSAS also issued its initial CA program evaluation guidelines in November 1991 and revised them in September 1994 to more closely tie long-range planning and program evaluation together.

Audit Objective: To assess the effectiveness of the practices that CSAS established to ensure high quality substance abuse services.

Conclusion: Generally, the practices that CSAS established to ensure high quality substance abuse services were effective. However, we noted a reportable condition pertaining to licensing procedures (Finding 10).

Noteworthy Accomplishments: CSAS is revising the administrative rules intended to ensure minimum quality standards for services for the first time since 1981. CSAS expects to promulgate the new administrative rules in fiscal year 1994-95. Also, CSAS obtained federal funding each year since fiscal year 1991-92 to provide clinical training to assist substance abuse professionals in qualifying for certification.

**AUDIT SCOPE
AND
METHODOLOGY**

Our audit scope was to examine the program and other records related to the Center for Substance Abuse Services for the period October 1, 1991 through April 15, 1995. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United

States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances. Our audit approach was to analyze CSAS programs and review substance abuse literature and audit reports of other states' substance abuse programs. We also researched and analyzed State and federal substance abuse legislation and rules, and we identified potential areas for improvement. This approach included discussing program issues with management to obtain its observations and concerns.

To accomplish our specific audit objectives, we used the following methodologies:

Audit Objective 1: We reviewed and evaluated the methodologies that CSAS established to evaluate the effectiveness of substance abuse treatment and prevention services. We determined if CSAS had established measurable program goals and objectives and measurement criteria. We reviewed the measurement data that CSAS collected.

Audit Objective 2: We reviewed and evaluated the CSAS planning policies and procedures and the plans that CSAS developed during the audit period. We determined if CSAS coordinated its planning with other State agencies and if CSAS considered Statewide and regional substance abuse treatment and prevention needs in the development of its plans.

Audit Objective 3: We reviewed, assessed, and documented CSAS's management controls over the

substance abuse services contracting process. We tested a sample of contracts to determine if the contracts were properly executed and had the proper approvals.

We reviewed and evaluated the CSAS policies and procedures for allocating substance abuse funds to the CA's. We reviewed, assessed, and documented CSAS's management controls over program monitoring and the Department's policies and procedures for monitoring the CA's required public accounting firm audit reports.

Audit Objective 4: We reviewed and evaluated the CSAS service provider licensing process. We selected a sample of licenses and tested for compliance with CSAS licensing rules. We tested a sample of service providers' compliance with CSAS accreditation requirements. We reviewed the service providers' progress toward fulfilling CSAS credentialing requirements and continuing education requirements. We also reviewed the results of service provider peer reviews.

**AGENCY
RESPONSES**

Our audit report includes 10 findings and 11 corresponding recommendations. The agency preliminary response indicated agreement with these recommendations.