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**Testimony**

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**DRUG ABUSE**

**Efforts Under Way to  
Determine Treatment  
Outcomes**

Statement of Janet Heinrich, Associate Director  
Health Financing and Public Health Issues  
Health and Human Services Division



**G A O**

Accountability \* Integrity \* Reliability

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# Drug Abuse: Efforts Under Way to Determine Treatment Outcomes

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Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to testify on the Substance Abuse and Mental Health Services Administration's (SAMHSA) efforts to support an effective drug abuse treatment system. We are publicly releasing our report today on SAMHSA's funding for drug abuse treatment-related activities and efforts to determine whether funds provided to states support effective drug abuse treatment programs.<sup>1</sup> I will summarize the key findings of our report, in which we describe (1) activities supported by SAMHSA's Substance Abuse Prevention and Treatment (SAPT) block grant and Knowledge Development and Application (KDA) grant funds for drug abuse treatment; (2) SAMHSA and state mechanisms for monitoring fund use; and (3) SAMHSA and state efforts to determine the effectiveness of drug abuse treatment supported with SAPT block grant funds.

National survey data show that in 1998, 13.6 million Americans reported that they had used an illicit drug in the past month. Further, the costs of drug abuse to society—which include costs for health care, drug addiction prevention and treatment, drug-related crime prevention, and lost resources resulting from reduced worker productivity or death—are estimated at \$67 billion annually. As part of its efforts to combat drug abuse, the federal government spent more than \$3.2 billion for treatment-related programs in fiscal year 1998. The SAPT block grant and KDA programs are SAMHSA's major programs that fund drug abuse treatment activities accounting for more than half a billion dollars of fiscal year 1996 expenditures.

The federal government has made a considerable investment in states' drug abuse treatment programs, and although there is currently little information on their effectiveness, SAMHSA and some states have efforts under way to determine program outcomes. About \$581 million in SAMHSA's fiscal year 1996 grant funds was spent on drug abuse treatment activities. Of these funds, more than 80 percent (\$478 million) was spent by the states for treatment services funded through the SAPT block grant program. The 16 states we surveyed<sup>2</sup> reported that SAPT funds supported both residential and outpatient drug abuse treatment services, including

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<sup>1</sup> *Drug Abuse Treatment: Efforts Under Way to Determine Effectiveness of State Programs* (GAO/HEHS-00-50, Feb. 15, 2000).

<sup>2</sup> In addition to discussions with SAMHSA officials, we surveyed the 16 states that received at least \$25 million for their fiscal year 1996 SAPT block grant award, the latest year of complete data. The surveyed states were: California, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia, and Washington. These states represent about 60 percent of SAPT block grant expenditures for drug abuse treatment services.

detoxification and methadone maintenance. For half of the states in our survey, outpatient drug abuse treatment services accounted for 57 to 85 percent of their block grant expenditures; the average of the remaining states' expenditures for outpatient services was 31 percent. All the states we surveyed reported providing methadone treatment services – the pharmacotherapy treatment most widely used for heroin addiction – almost exclusively on an outpatient basis. SAMHSA spent \$25 million of the SAPT block grant for technical assistance and evaluation activities related to drug abuse treatment. The remaining \$78 million of SAMHSA's fiscal year 1996 grant funds were KDA funds provided to community-based organizations, universities, and state and local government agencies to develop and disseminate information on promising drug abuse treatment practices.

SAMHSA monitors grantees' use of these funds through on-site reviews, reviews of independent financial audit reports, and application reviews. These mechanisms are used to monitor grantees' compliance with program requirements, identify grantees' technical assistance needs, and provide grantees guidance for improving program operations. The current accountability system for the SAPT block grant is mostly based on a review of state expenditures designed to determine whether states comply with statutory spending requirements for use of funds, such as those that stipulate that a certain percentage of SAPT block grant funds be spent for alcohol prevention and treatment, drug prevention and treatment, and special populations. SAMHSA monitoring has not focused on the outcomes or effectiveness of states' drug abuse treatment programs.

Several state and SAMHSA efforts are under way to determine the effectiveness of drug abuse treatment programs using client outcome measures, such as drug use, employment, criminal activity, and living conditions. Nine of the 16 states that we surveyed have conducted such assessments, but the outcomes measured, populations assessed, methodologies used, and availability of results vary from state to state. SAMSHA is funding a pilot effort to help 19 states develop and uniformly report on a core set of client outcomes. SAMHSA has also asked all states to voluntarily report client outcome data – using measures such as drug use, criminal activity, and employment status – in their fiscal year 2000 block grant application. However, this effort is not likely to result in uniform state data because some of the states we surveyed reported that they are not currently collecting the requested data.

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## Background

SAMHSA, an agency within the Department of Health and Human Services, has responsibility for supporting substance abuse treatment and

prevention, and mental health services. SAMHSA's fiscal year 1999 budget was about \$2.5 billion, of which about \$1.6 billion was for the SAPT block grant program. SAMHSA allocated another \$329 million to fund prevention and treatment discretionary grant programs. A portion of SAMHSA's budget is appropriated for administrative expenses—about 6 percent (\$155 million) for fiscal year 1999. The majority of the appropriation for administrative expenses supports contractual services that include technical assistance and program evaluation activities. Administrative expenses also include personnel compensation and costs related to travel, communications, printing, supplies, and rental payments. As of December 1999, SAMHSA employed a total of 538 people.

SAMHSA awards 95 percent of SAPT block grant funds to states and U.S. territories; awards are determined by a statutory formula based on several factors including a state's personal income data, taxable resources, population estimates, and service costs. States have broad discretion in how they distribute SAPT block grant funds to cities, counties, and service providers; the services supported; and the specific amount spent on drug abuse treatment services. SAPT block grant legislation specifies that at least 35 percent of the state award be used for alcohol prevention and treatment activities and 35 percent be used for other drug abuse prevention and treatment activities. The remaining 30 percent can be used at the state's discretion for drug programs, alcohol programs, or both.

SAPT block grant legislation requires that 5 percent of the SAPT block be set aside at the federal level to support data collection, program evaluation, and technical assistance to the states. This set-aside funds, among other things, four major surveys required by the Public Health Service Act: the National Household Survey on Drug Abuse, the Drug Abuse Warning Network, the Drug Abuse Services Information System, and the Alcohol and Drug Services Survey.

The KDA program is a discretionary grant program that replaced SAMHSA's demonstration grant program in 1996. KDA program grants are designed to bridge the gap between knowledge and practice in order to transfer research findings to community practitioners and to provide new, more efficient ways to deliver services. The KDA program is also used to expand the availability of treatment services for specific locations and populations.

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## **Drug Abuse Treatment Funds Support Services, Technical Assistance, and Evaluation**

About \$581 million of SAMHSA's fiscal year 1996 grant funds was used to support activities related to drug abuse treatment with state SAPT block grant awards accounting for about \$478 million of these funds.<sup>3</sup> In addition to block grant funds, states use other revenue sources to fund drug abuse treatment services, including state funds; other federal funds, such as Medicaid; and county funds and insurance payments. The proportion of total drug abuse treatment expenditures accounted for by SAPT block grant expenditures varied considerably among the states we surveyed. For example, New York reported that SAPT block grant expenditures accounted for 18 percent of its total funds for drug abuse treatment compared with 76 percent reported by Indiana.

SAPT block grant set-aside funds for technical assistance contracts and program evaluation efforts specifically related to drug abuse treatment accounted for \$25 million. Of these funds, SAMHSA spent about 93 percent to support technical assistance activities, including \$11 million for technical assistance contracts and \$12 million to help states better allocate treatment funds and improve their ability to assess and report treatment needs. SAMHSA funds technical assistance contracts at the request of states for a wide range of activities, which include training seminars, redesigning treatment policies and procedures, and assisting states in establishing cost-effective treatment models. The remaining \$2 million of fiscal year 1996 set-aside funds for drug abuse treatment supported program evaluation activities.

In fiscal year 1996, SAMHSA spent \$78 million for KDA grants to determine the effectiveness of selected treatment practices, expand the availability of treatment services for specific locations and populations, and promote the adoption of best practices and treatment techniques. These funds supported 13 specific KDA programs through grants and cooperative agreements to 111 community-based organizations, universities, and state and local government agencies. In fiscal year 1998, SAMHSA spent about \$98 million to support 27 specific programs. For example, SAMHSA funded programs to evaluate the effectiveness of integrating treatment services with primary health care or early childhood services, treatment interventions for marijuana and heroin abusers, and treatment for women with histories of violence who have both substance abuse and mental health problems. Final results have not been reported on the effectiveness of selected treatment practices for specific KDA programs.

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<sup>3</sup> In addition to state expenditures for drug abuse treatment, states spent about \$681 million in block grant awards to support alcohol treatment, primary prevention, and tuberculosis and HIV early intervention services, as well as administration.

To help improve the overall quality of substance abuse treatment and facilitate the adoption of current knowledge about effective treatment approaches, SAMHSA develops and publishes best practice guidelines. For example, SAMHSA brings together clinicians, researchers, policymakers, and other federal and nonfederal experts to reach consensus on promising treatment practices. SAMHSA has published specific treatment improvement protocols that recommend strategies to enhance treatment services for individuals with co-existing mental health and substance abuse disorders. The protocols also provide guidelines for the design and delivery of effective treatment services for adolescents; and for planning, providing, and evaluating detoxification services. SAMHSA also developed a treatment improvement protocol to assist state agencies in developing, implementing, and managing outcome monitoring systems to increase accountability for treatment expenditures. SAMHSA also publishes technical assistance publications, which compile materials gathered from various federal, state, programmatic, and clinical sources, that provide guidance and information related to providing drug abuse treatment.

SAMHSA coordinates its KDA efforts to develop and disseminate promising treatment practices with the National Institute on Drug Abuse (NIDA). These coordination activities include periodic meetings and interagency agreements to ensure that NIDA research is considered in the development, application, and dissemination of KDA information and that the agencies' efforts are not duplicated. Further, some KDA programs test NIDA research to establish the effectiveness of treatment approaches and to identify and address barriers to the use of these approaches in different communities and with different populations. SAMHSA also routinely involves NIDA in selecting treatment improvement protocol topics and reviewing the protocols before they are published.

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## **SAMHSA Uses Several Mechanisms to Monitor SAPT Block Grant and KDA Grant Funds**

SAMHSA uses on-site reviews; reviews of independent financial audit reports required by the Single Audit Act; and reviews of grant applications to monitor grantees' use of SAPT and KDA funds and their compliance with program requirements. The accountability system for SAPT block grant funds is primarily based on whether states spend funds as required by federal law. SAPT monitoring does not focus on the outcomes or effectiveness of states' drug abuse treatment programs.

SAMHSA is statutorily required to use on-site reviews to ensure states comply with requirements for the use of their SAPT funds, such as "the maintenance of effort" requirement, which stipulates that states must maintain a certain level of expenditures for drug abuse treatment. These reviews are required to be conducted in at least 10 states each fiscal year.

SAMHSA hires contractors to conduct these reviews that examine grantees' fiscal monitoring of providers and compliance with SAPT block grant requirements. The contractor works with SAMHSA program staff and state officials to develop a report detailing findings. Currently, SAMHSA does not collect corrective action plans from states or track states' responses to deficiencies identified to determine if they are resolved. SAMHSA officials said that corrective action plans and SAMHSA's monitoring of them are needed, but the agency has not yet decided how it will address this issue. SAMHSA uses the results from the on-site reviews to identify states' technical assistance needs. States must request this assistance which SAMHSA also meets through contractors. For both the SAPT block grant and KDA grant programs, SAMHSA staff conduct periodic site visits to identify grantees technical assistance needs and provide program guidance.

SAMHSA also monitors grantee compliance with program requirements by reviewing their annual financial audits required by the Single Audit Act.<sup>4</sup> In general, this audit is designed to determine if a grantee's financial statements are fairly presented and grant funds are managed in accordance with applicable laws and program requirements. SAMHSA reviews independent financial audit reports to identify grantees in noncompliance with program requirements who need to take corrective actions. If the audit report has recommendations, SAMHSA will request a corrective action plan from the grantee and review the grantee's submission for adequate resolutions. If a grantee does not submit an audit report or resolve an audit finding, SAMHSA has the authority to suspend or terminate a grant award, or require the grantee to submit additional financial reports in order to receive additional grant funds.

SAMHSA project officers also review annual SAPT block grant applications to determine if states have complied with statutory program requirements. For grantees that do not comply, SAMHSA can impose conditions. In the past, however, SAMHSA project officers approved applications for some states that reported noncompliance with maintenance of effort<sup>5</sup> requirements. SAMHSA has developed a plan to improve its oversight of maintenance of effort issues that includes making maintenance of effort compliance the highest priority for initial staff

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<sup>4</sup> Under criteria established by the Single Audit Act, independent auditors use expenditure limits and risk-based guidelines to identify the programs that will be audited. SAPT block grant and KDA grant programs whose annual expenditures fall below \$300,000 – or 3 percent of total federal expenditures – are generally not audited in that year.

<sup>5</sup> The state's principal agency for drug abuse treatment is required to maintain aggregate drug abuse treatment expenditures at a level that is not less than the average level of such expenditures for the 2-year period preceding the fiscal year for which the state is applying for the grant.

review, initiating weekly status reports on states with compliance issues, and conducting periodic meetings to review SAPT block grant documentation. State SAPT grantees use mechanisms, similar to those used by SAMHSA, to monitor the use of block grant funds provided to treatment providers and counties. Some states also use management information systems and review cost reports to monitor providers.

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## **Efforts Are Under Way to Determine the Effectiveness of State Drug Abuse Treatment Programs**

Several efforts are under way to determine whether states receiving SAPT block grant funds are supporting effective drug abuse treatment programs. Some state assessments of drug abuse treatment show improved client outcomes, but the assessments vary in the outcomes measured, populations assessed, methodologies used, and availability of results. SAMHSA officials believe that the collection of uniform state-level client outcome data is critical to monitoring and reporting to the Congress the results of states' drug abuse treatment programs supported with SAPT block grant funds.

One of SAMHSA's current efforts to collect uniform client outcome data is the Treatment Outcomes and Performance Pilot Studies Enhancement grant program, referred to as TOPPS II. This program funds 19 states'<sup>6</sup> collection of information on SAPT block grant funded treatment services. SAMHSA and the TOPPS II states agreed on a set of client outcome measures that will be incorporated into participating states' databases and monitored. Some of these measures are substance use, health services utilization, employment status, living arrangements, and criminal behavior. As a condition of receiving TOPPS II funding, each state is required to report client outcome data to SAMHSA using the agreed upon measures of treatment effectiveness.

SAMHSA's other major effort to determine the effectiveness of state drug abuse treatment programs is to have all states voluntarily report client outcome data in their fiscal year 2000 SAPT block grant application. States are asked to use specific indicators to report on a core set of outcome measures including drug use, criminal activity, employment status, and living arrangements. States are asked to report the percentage change in each measure that occurred between admission and discharge for clients completing treatment, by age and race/ethnicity. This effort, however, will not yield consistent and uniform data across states because some states said that they are not currently collecting all the outcome data that SAMHSA is requesting. SAMHSA is also asking states to report the source

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<sup>6</sup>The 19 states that applied and were selected to participate in TOPPS II are Arizona, Arkansas, California, Connecticut, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Oklahoma, Rhode Island, Texas, Utah, Virginia, and Washington.

of the data, reasons for not being able to report the data, and whether information is available to measure outcomes after treatment is completed. SAMHSA plans to use some of the information it collects to determine the availability of state outcome data, the complexities of measuring client outcomes, and states' infrastructure needs for measuring outcomes.

SAMHSA has supported two national studies—the Services Research Outcome Study and the National Treatment Improvement Evaluation Study<sup>7</sup>—that suggest drug abuse treatment is effective at improving certain outcomes including decreased drug use, criminal activity, and unemployment. However, the overall response rate in these studies was low, influencing the ability to draw firm conclusions about treatment effectiveness.

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## Conclusions

Although there is little information on the outcomes of states' drug abuse treatment programs, SAMHSA and some states have efforts under way to determine program effectiveness. SAMHSA monitors state expenditures to determine whether block grant funds are used in accordance with statutory requirements. However, this type of monitoring is not designed to determine the effect state drug abuse treatment programs are having on client outcomes—an important aspect in ensuring federal and state accountability for program results. Some states are assessing the effectiveness of their treatment programs using various outcome indicators, but the data are not uniform—which, according to SAMHSA officials, is essential for determining the effectiveness of drug abuse treatment programs and for reporting the information to the Congress. SAMHSA is trying to determine the availability of client outcome data from all states and has awarded grants to some states to help improve their data collection systems. These efforts should help identify states' views about and some of the complexities associated with collecting and reporting uniform client outcome data. SAMHSA's efforts should also help to determine what additional actions are needed to get uniform state reporting on the results of drug abuse treatment programs supported with SAPT block grant funds.

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Mr. Chairman, this concludes my statement. I will be happy to answer any questions that you or other Members of the Subcommittee may have.

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<sup>7</sup> The Services Research Outcome Study is the first national study of substance abuse treatment outcomes to include a representative sample of drug abuse treatment programs in rural, suburban, and urban locations. The National Treatment Improvement Evaluation Study, a 5-year study, examined outcomes such as drug use, criminal activity, and employment before and after treatment.

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## **Contact and Acknowledgments**

For future contacts regarding this testimony, please call Janet Heinrich at (202) 512-7119. Key contributors include Veronica Henry, Janina Johnson, and James O. McClyde.

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