

Final Report

STATE-SPONSORED
CHEMICAL DEPENDENCY PROGRAMS:
FOLLOW-UP STUDY

PROGRAM EVALUATION DIVISION
Office of the Legislative Auditor
State of Minnesota

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April 17, 1981

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OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA

PREFACE

In February 1979, the Program Evaluation Division issued an evaluation report on state-sponsored chemical dependency (CD) programs. The report focused on the Chemical Dependency Program Division (CDPD) of the Department of Public Welfare and provided information on the cost of CD services in Minnesota and on CDPD's activities in planning, research, and evaluation. The report was critical of CDPD for its inability to provide basic descriptive information on state-sponsored CD programs and for its general failure to sponsor useful research.

Following the release of the original evaluation, the 1979 Legislature passed a bill requiring DPW to evaluate CD services. Also during the 1979 session, the Legislature passed the Community Social Services Act, which altered the funding mechanisms for social services and mental health services (including CD) and realigned the responsibilities of DPW and local governmental units for planning and evaluation.

In light of these earlier events, this follow-up study was undertaken with two objectives: (1) to compare current performance data with those of two years ago, and (2) to determine what DPW and CDPD have done in the past two years to correct the deficiencies which we presented in the original evaluation.

In the course of our recent investigation, we received the cooperation of the Department of Public Welfare and wish to thank Commissioner Noot and his staff for their assistance.

The research for this follow-up study was conducted by Thomas Sims and Debra Schweiger under the direction of Elliot Long.



Eldon Stoehr, Legislative Auditor



James Nobles, Deputy Legislative Auditor for Program Evaluation

April 1981

PROGRAM EVALUATION DIVISION

The Program Evaluation Division was established in 1975 to conduct studies at the direction of the Legislative Audit Commission (LAC). The division's general responsibility, as set forth in statute, is to determine the degree to which activities and programs entered into or funded by the state are accomplishing their goals and objectives and utilizing resources efficiently. A list of the division's studies appears at the end of this report.

Since 1979, the findings, conclusions, and recommendations in Program Evaluation Division final reports and staff papers are solely the product of the division's staff and do not necessarily reflect the position of the LAC. Upon completion, reports and staff papers are sent to the LAC for review and are distributed to other interested legislators and legislative staff.

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EXECUTIVE SUMMARY

Two years ago the Program Evaluation Division conducted a study of state-sponsored Chemical Dependency (CD) programs. We examined both the efficiency and effectiveness of CD services and the effectiveness of the Department of Public Welfare's (DPW's) administration of CD services.

Our report noted a number of problems: certain state-funded CD programs appeared to be operating inefficiently; the Chemical Dependency Program Division (CDPD) of DPW was not successfully carrying out important functions specified by law; and there was a frustrating absence of information on CD service activity, clients served, and program effectiveness.

This report reviews the current status of CD services and the administration of CD services in DPW to determine whether the problems noted two years ago have been successfully addressed.

A. STATE ADMINISTRATION OF CD SERVICES

1. PROGRAM AND FINANCIAL MONITORING

Two years ago we found serious deficiencies in DPW's administration and supervision of state-funded CD services. We concluded that:

- CDPD had failed to perform up to a reasonable standard in collecting and reporting basic information on publicly supported CD programs.
- Planning, research, and evaluation projects were not effectively chosen and carried out, despite the fact that CDPD commanded significant staff and monetary resources designated for this purpose.
- CDPD was not effectively monitoring the recipients of the state and federal CD funds it administered directly. Nor did CDPD and DPW have in place a minimally satisfactory means of performing necessary financial and program monitoring of grant-in-aid recipients.

State financing of CD services has been reorganized as a result of the passage of the Community Social Services Act (CSSA) in 1979. Grants-in-aid to area mental health boards and funding for Governor's Bill programs have been replaced by a block grants to counties financing all mental health, mental retardation, and chemical dependency services.

Implementation of CSSA includes establishing a new reporting system that, if successful, will be an improvement over the grant-in-aid reporting system that existed two years ago. However, our review of this system, as it currently exists, found that:

- DPW planning guidelines do not provide adequate guidance to counties in preparing the social service plans they are required to submit to DPW;
- The CD portion of county plans are frequently deficient in such important areas as needs assessment, identification of service resources, and evaluation methods;
- DPW did not provide counties with evaluation guidelines on a timely basis; the material that DPW eventually sent out contained standard reporting forms but lacked the methodological guidance counties had expected; and
- DPW has not adequately enforced the submission of quarterly financial reports. By the end of 1980, counties were still not routinely submitting required financial reports.

We also examined the process by which the chemical dependency sections of county plans were reviewed, and conclude that:

- DPW and CDPD did not employ uniform, standardized criteria for reviewing the CD content of county social service plans.

We recommend that plan guidelines be changed in the following ways:

- The request for information on past and projected service utilization, currently optional, should be mandatory.
- Greater guidance should be provided to counties regarding various methods for satisfying plan requirements, particularly requirements for needs assessment, inventory of services, and evaluation.
- Plan guidelines should require not only a description of needs assessment methods, but the substantive results as well.

In addition:

- DPW should develop standardized instructions and worksheets for use by program division staff members in reviewing county plans. Both counties and DPW staff should have a clear understanding of the detailed items necessary for plans to be approved.

- DPW should enforce the submission of the required quarterly financial statements and ensure that they satisfy the provisions of CSSA.

2. PLANNING, RESEARCH, AND EVALUATION ACTIVITIES

Two years ago we reviewed the planning, research, and evaluation program of CDPD. Our evaluation was based on the view that, in order of priority, DPW and CDPD need to arrange for:

- basic descriptive information on CD service costs, the volume of services delivered, and the number and kinds of clients served;
- information on service efficiency, for example, unit costs and utilization rates; and
- information on service effectiveness and cost effectiveness.

Since the difficulty and expense of gathering the third type of information is greater than gathering the the first or second types, and since all are needed, we concluded that CDPD and DPW should concentrate on assembling basic descriptive information before embarking on more difficult or costly planning or evaluation systems.

We also concluded that CDPD ought to be prepared to respond to predictable calls for information from the Legislature, DPW management, and others, and that there were major gaps that needed to be filled through planning, research, and evaluation projects. Among the deficiencies we cited two years ago were:

- an absence of data on services delivered or clients served through the expenditure of state money;
- a failure to compile needed information on existing educational and treatment resources;
- a failure to take a practical approach in assessing the need for CD services;
- a tendency to ignore projects of considerable state and local interest in favor of what appealed to federal alcohol and drug authorities; and
- a failure to effectively carry out or monitor in-house planning, research, and evaluation projects and to monitor the performance of contractors. We concluded that this was due in part to an absence of needed skills among the CDPD staff assigned to carry out these responsibilities.

To follow up these findings we reviewed the planning, research, and evaluation activities of CDPD during the two-year period just ended. We reviewed both the projects carried out in-house and those carried out by contractors. In general, we found that:

- Little progress has been made in the last two years to correct the deficiencies we noted in our previous report. There is, however, some basis for optimism since the new management of CDPD recognizes that deficiencies exist which need to be remedied and has already taken certain necessary steps.
- As of early 1981, CDPD had still not put together a comprehensive list or directory of CD service providers in Minnesota. This is an obvious and necessary first step in the planning, analysis, research, or evaluation of CD services.
- Two years ago we described the protracted and expensive failure of CDPD to implement an information system designed to report client flows in detox centers and halfway houses. Today the system is providing current reports, although questions remain concerning the long-term usefulness and capabilities of the system.
- The current state CD plan, like the one we reviewed two years ago, contains irrelevant, inappropriate, and misleading material.

We reviewed all contracted planning, research, and evaluation projects funded by CDPD in the two-year period following our earlier review in order to see whether, taken as a whole, these projects were more successful, more relevant, or more useful than the set of projects we reviewed two years ago. We conclude that:

- The overall result of contracted studies during the last two years is disappointing. Although some useful results were obtained, there is much room for improvement in the selection of topics, the selection and monitoring of contractors, and the utilization of results.

CDPD acknowledges that it lacks a policy defining what it wants to accomplish with the state and federal money available for studies which support its planning, research, and evaluation functions. It has postponed the commitment of additional money until it determines its research and evaluation priorities.

A rider to the 1979 Health, Welfare, and Corrections Appropriations Act required DPW to carry out a study of costs and effectiveness of CD programs. CDPD took its time in responding to this requirement. Finally, in April 1980 it arranged for two private contractors to carry out studies on CD service outcomes and unit costs.

Final reports of these projects were not available in time for us to review them. Draft reports covering parts of the contract were available in time for us to perform only a cursory review.

- Since these studies were mandated by the 1979 Legislature, CDPD should be faulted for not initiating them soon enough to be delivered prior to the start of the 1981 session.

In summary, the program of planning, research, and evaluation studies conducted during the last two years has not been generally successful. However, some useful reports have been produced, and, optimistically, CDPD has learned what mistakes to avoid in the future.

Over the last two years CDPD has addressed some of the deficiencies noted in our earlier study. For example, it contracted for a study of detoxification programs, partially in response to our observation that this area of service had been ignored. And in January 1981 CDPD hired an evaluation coordinator, a step we recommended two years ago.

In the area of planning, research, and evaluation we recommend that:

- CDPD should concentrate on filling the gaps in needed information, arranging for descriptive information on: first, services, costs, and persons served; then, efficiency of service delivery; and finally, program effectiveness.
- CDPD should focus on planning, research, and evaluation projects that are practical and useful, and that are within its ability to carry out, assimilate, and use.
- CDPD should improve the usefulness of the state CD plan by splitting it into separate documents for federal funding authorities, for its own internal use, and for local units of government. The quality and accuracy of the state plan also needs to be improved.

3. CONTRACT MANAGEMENT

Two years ago we conducted a review of CDPD's contract management practices. We found that:

- Contract files were in a state of disarray. A complete, reliable list of contracts could not be assembled, and some contract files could not be located.
- Contracts were frequently worded too vaguely for us to determine whether their provisions were satisfactorily met.
- Reporting requirements were poorly enforced by CDPD.

As part of our follow-up study, we checked whether CDPD had improved its management of contracts. We found considerable improvement in the administration of contracts and recordkeeping, but CDPD remains weak in tracking the cumulative financial commitments of its contracts and in monitoring and evaluating contract products. We reviewed a representative sample of contract files and found that:

- CDPD has made many improvements in its contract files, contract language, and contract reporting requirements. CDPD was able to immediately provide an accurate list of contracts. Contracts were properly filed or signed out.
- Only two of the thirty-five files we reviewed lacked required progress reports.
- Over 80 percent of the contracts we reviewed contained work plans specifying easily understood, measurable objectives.

On the other hand:

- CDPD has made little if any progress towards establishing a schedule of routine site visits, conducting financial audits of contracted programs and projects, or critically reviewing the substance of projects either in progress or upon completion.

We recommend that:

- CDPD establish a formal on-site monitoring program which includes staff instructions, standardized reporting forms to be stored in the central grants file, and at least a limited number of financial audits each year which are widely publicized so that all grantees are aware that they might be the subject of a future audit.

B. AN ASSESSMENT OF SERVICE ACTIVITY, COSTS, AND EFFECTIVENESS OF STATE-FUNDED SERVICES

Two years ago we reviewed each major category of state-funded CD services: prevention and early intervention services established by the Governor's Bill (Minn. Laws 1976, ch. 125); sub-acute detoxification, halfway houses, and counseling and coordination funded through grants-in-aid to area mental health boards; and state hospital CD programs.

Despite severely limited information on many categories of service, we were able to reach useful conclusions on a number of areas, if not about service effectiveness, about the need for better information and the need for development or clarification of state policy. This follow-up study provides updated information on key findings from our earlier study.

1. GOVERNOR'S BILL PROGRAMS

Two years ago we analyzed data on Governor's Bill employee assistance programs and concluded that these were not operating efficiently. As of January 1980, employee assistance programs and the other prevention and early intervention services known collectively as Governor's Bill services ceased to exist at the state level as a separately funded and administered category of CD service.

It was possible to put together some updated information on employee assistance programs through early 1980 and on the basis of that information, we conclude that:

- Employee assistance programs have not achieved anticipated levels of service activity and efficiency. We believe our previous conclusion that EAPs were excessively expensive applies also to the two years following our earlier study.

Over a four-year period, approximately \$3.8 million in state money and additional private funds were spent establishing and operating EAPs. By the end of this period, according to the best available information, 7,072 people had received a one- to two-hour diagnostic interview, and, when appropriate, were referred to treatment. Of these, 2,561 were diagnosed as having a CD problem. Using these figures--and caution is advisable because there is some undercount in these totals and some programs will continue to generate referrals without requiring additional state expenditures--it has cost over \$500 per referral and over \$1,400 per CD referral over the last four years.

- Despite our finding two years ago that EAP costs appeared to be excessive and our recommendation that these programs be more carefully evaluated, CDPD has failed to adequately evaluate service costs and activities.
- CDPD has ceased to monitor employee assistance programs and prevention and early intervention programs aimed at youth and other underserved groups despite the fact that Minnesota Statutes §254A.16 continues to require that these services be evaluated by DPW.

We believe that CDPD has failed, throughout the four years of the Governor's Bill program from 1977 to 1980, to perform its responsibility under Minnesota Statutes §254A to evaluate these services.

During the last two years CDPD has sponsored a couple of projects that were expected to provide unit cost estimates for early intervention programs. In fact, a rider to the 1979 appropriations act directed DPW to conduct a study that would have provided such information. However, the contractor conducting that study for CDPD was unable to collect reliable information on the per-referral costs of early intervention programs.

2. DETOXIFICATION CENTERS AND HALFWAY HOUSES

Two years ago we attempted to collect and analyze data on detoxification and halfway house programs in order to assess their effectiveness and efficiency. We found that while there was a significant effort to collect data from service providers, DPW was essentially unable to provide useful information on services and costs.

In our follow-up study, we set out to determine whether DPW has improved its ability to produce such information as a complete listing of all programs in the state, the number of clients served, the days of service, and the costs of service.

- DPW is still not capable of providing reliable and useful information of the costs and effectiveness of detoxification and halfway house programs, although projects conducted during the last two years have been useful steps toward meeting this goal.

According to CDPD staff, efforts to investigate detoxification programs have been hindered by the reluctance of such programs to routinely provide data requested by DPW or by contractors working for DPW. Staff members suggested that DPW could require the submission of such data through the enforcement of Rule 32, promulgated in 1972 to govern detoxification programs. However, DPW has never enforced this rule, and as a result, the programs go unlicensed and poorly monitored. The Community Social Services Act provides a mechanism for the routine reporting of both client and cost data for such programs as detoxification, but to date its reporting requirements have not been fully specified, implemented, or enforced.

Two years ago we interviewed service providers, local government officials, and others involved in CD services in Minnesota and found that issues connected with the cost and conception of detox services were of great concern. We recommended that CDPD invest additional staff and monetary resources to investigate issues of high priority such as detox.

CDPD responded by hiring a detox coordinator and sponsoring a couple of contracted studies. These are useful steps but have not fully met the urgent needs of local government, service providers, and the general public. We recommend that:

- DPW should be faulted for its failure to develop an operational rule governing detox programs following its decision to shelve Rule 32 shortly after it was promulgated over nine years ago. DPW should do everything within its power to promulgate a new Rule 32. Detoxification is the only mandated CD service, but it is not clear what is mandated: an expensive, medically-supervised program with extensive ancillary services costing over \$160 per day or something less. As we suggested two years ago, this is an area where DPW should exercise greater leadership.

- DPW should ensure that the administrative rules governing halfway house programs provide for reporting information necessary to account for public funds and assure quality care at reasonable costs.

3. STATE HOSPITAL CD UNITS

State hospital CD programs account for the largest share of state dollars appropriated for CD programs--an estimated \$13.4 million for fiscal year 1980 or about 44 percent of the state's CD expenditures for that year. Our follow-up study found that:

- Although state hospital CD programs account for a high percentage of the state's appropriations going to CD services, both CDPD and central DPW offices remain unable to provide much information about the cost, efficiency, and effectiveness of state hospital based CD programs.

Two years ago we noted the general lack of information on state hospital CD programs. Currently, data on state hospital programs is even less adequate and as sketchy and fragmented as that on other categories of CD services despite the fact that state hospital programs are directly under the control of DPW. Gaining the hospitals' cooperation in monitoring services should not be the problem that obtaining the cooperation of other service providers has been.

We recommend that:

- Each state hospital CD unit should be required to routinely report to DPW a basic set of data including such items as the number of clients served, the number of client days of service provided, utilization of specific services, and total expenditures for each service provided.
- In general, DPW needs to devote an amount of time and attention to monitoring and evaluating state hospital CD programs that is commensurate with the fact that 44 percent of state CD monies go to these programs. There are many unanswered questions concerning the utilization, appropriateness, efficiency, and effectiveness of state hospital CD programs.

INTRODUCTION

Two years ago the Program Evaluation Division conducted a study focusing on the following major objectives:

- to review the existing evidence on chemical dependency (CD) program effectiveness; and
- to review the performance of the Department of Public Welfare (DPW), particularly its Chemical Dependency Program Division (CDPD), in administering, monitoring, assisting, and supervising CD programs and services.

Our 1979 study concluded that existing evidence on costs and effectiveness suggested that certain CD programs were inefficient. For most kinds of CD services, there was no statistical information that permitted conclusions concerning either service effectiveness or efficiency. Our review of the performance of DPW and CDPD led us to conclude that they were not performing the functions required by law:

- to be a source of expertise and information about CD programs in Minnesota;
- to conduct a meaningful program of evaluation and research on CD services;
- to monitor the federal and state funds administered by DPW; and
- to provide technical assistance to providers, consumers, government agencies, professionals, and others concerned with CD services and programs in Minnesota.

Because of the seriousness of the problems and deficiencies noted in our earlier study, we decided to perform a follow-up study that would:

- determine whether DPW and CDPD have corrected the problems noted in our earlier study or have made progress towards solving them; and
- provide an updated look at the available information on costs and effectiveness of CD programs.

The Community Social Services Act (CSSA) passed in 1979 changed the role of the state in providing for and administering CD services. Detoxification is now the only CD service mandated by state law. State law defines the responsibility for providing resources to serve chemically dependent people in need of other health and social services, but delegates to counties the decision of how to spend annual block grants determined by formula.

The passage of CSSA changed the role of CDPD, and this made a literal follow-up of certain findings from our original study inappropriate. CSSA requires DPW to establish new reporting relationships with CD service providers and county governments. To a limited degree, this report goes beyond a strict follow-up study when it presents descriptive and evaluative information on the implementation of CSSA as it pertains to CD programs and services; however, it makes no attempt to evaluate the overall success with which CSSA is being implemented.

In many ways, the responsibilities of CDPD remain unchanged from two years ago. Thus it makes sense to note the performance problems observed previously and to report our current assessment of whether and to what degree the same problems exist.

This report is organized into three chapters. Chapter I presents general information on CD programs in Minnesota, including a review of pertinent legislation and how CD programs are financed and organized. The specific focus is on DPW and its responsibilities for administering and supervising CD programs.

Chapter II presents our assessment of the performance of DPW and CDPD. Our previous report was critical of many aspects of DPW's performance. In fact, it was the performance of CDPD and the aimlessness and ineffectiveness of its work that, more than anything else, led us to perform the follow-up study reported here.

Chapter III represents what we were able to do in twelve weeks to update the statistics on costs and effectiveness of CD programs presented in our earlier study.

I. GENERAL INFORMATION ON CHEMICAL DEPENDENCY PROGRAMS

A. HISTORICAL OVERVIEW OF MINNESOTA PROGRAMS

State government has been active in promoting chemical dependency services in Minnesota for some time. In 1957, the Legislature established the Community Mental Health Service Program which provided grants-in-aid to local governmental units to defray the cost of mental health services. Under this program, community mental health boards, or "area boards," were responsible for coordinating, planning, and evaluating all local programs for mental illness, mental retardation, and chemical dependency.

In 1967, the Governor established the Commission on Alcohol Problems, and in 1971, the Legislature established the Drug Abuse Section of the State Planning Agency. In 1974, these two offices were combined and relocated to become the Chemical Dependency Program Division (CDPD) of the Department of Public Welfare.

In 1971, Minnesota decriminalized public drunkenness and required area boards to provide detoxification services throughout the state. In 1972, halfway houses for chemically dependent people expanded services when they became eligible for \$20,000 grants from the distribution of a judgment received in a class action suit.

In 1973, legislation was enacted requiring health insurance plans to include coverage for residential treatment of chemical dependency. Subsequent amendments expanded coverage to include non-residential treatment as well. In 1976, the "Governor's Bill" authorized support for employee assistance programs; education, outreach, and referral for underserved populations; and programs for American Indians.

Most recently, in 1979, the Legislature passed the Community Social Services Act (CSSA). The act redefines three areas of service administration: funding, planning, and evaluation. CSSA integrates the administration of funds previously distributed under Title XX social services, mental health grants-in-aid, and the Governor's Bill, and specifies a formula for allocating shares to each county based on welfare caseloads and county population. Counties are given additional responsibility and latitude in deciding how much to allocate to services and in choosing methods to satisfy state requirements for planning and evaluation. Certain aspects of DPW's implementation of CSSA are discussed in Chapter II.

B. HOW PROGRAMS ARE FUNDED

In our previous study, we estimated that in 1978 approximately \$67 million was spent for the administration and delivery of

chemical dependency services in Minnesota. We estimate that in 1980 this amount increased to \$106 million. Over one-half of this amount was funded with public monies, as demonstrated by Table 1 which lists the sources of the \$106 million.¹ The \$106 million does not include such private funds as client out-of-pocket expenses or donations and contributions. Also, there is no estimate available of what percent of Medicare funds is spent for CD services.

1. FEDERAL FUNDS

As Table 1 shows, the largest share of federal funds for chemical dependency programs in Minnesota in 1980 was \$5.5 million in Title XX funds. The next largest share, about \$2.9 million, comes from the National Institute on Alcohol Abuse and Alcoholism (NIAAA) and the National Institute on Drug Abuse (NIDA). Other large amounts come from Drug Enforcement, \$.8 million; Veterans Administration, \$2.3 million; and Medicaid, \$2.3 million.

2. STATE FUNDS

Table 1 shows that the largest share of annual state appropriations for CD services goes to state hospital programs, over \$13 million in fiscal year 1980. The next largest share is comprised of funds now allocated under CSSA which were previously distributed to mental health boards under the state's mental health grant-in-aid program--an estimated \$8.3 million for 1980. CDPD directly received \$1.3 million and of this amount, approximately \$1 million was dedicated to CD programs for American Indians. Of the \$1 million dedicated to American Indian programs in 1980, nearly one-half went to Mash-kawisen, a residential primary treatment center; the remainder was distributed to tribes throughout Minnesota to provide a comprehensive range of CD services. CDPD's budget was approximately \$270,000 in 1980.

DPW also distributes funds for CD services through Medicaid, General Assistance Medical Care (GAMC), and the Catastrophic Health Expense Protection Program (CHEPP)--approximately \$3.9 million in 1980. Other state agencies also have CD programs--for example, the Departments of Public Safety and Corrections. The University of Minnesota operates a center called the Office of Alcohol and Other Drug Abuse Programming for training and research in the field of chemical dependency.

3. LOCAL FUNDS

Local funds for CD services, as reported by DPW, are

¹The financial data included in this report are presented only for the general information of the reader, and do not represent an effort to independently reconcile the revenues and expenses of the Department of Public Welfare as might be done in an external financial audit.

TABLE 1
FUNDING OF CHEMICAL DEPENDENCY PROGRAMS IN MINNESOTA
FISCAL YEAR 1980
(in millions)

	Funding Source	Estimated Expenditures
FEDERAL:	National Institute on Alcohol Abuse and Alcoholism	\$ 1.4
	National Institute on Drug Abuse	1.5
	National Institute of Mental Health	.1
	Drug Enforcement Administration	.8
	Veterans Administration	2.3
	Title XX	5.5
	Title XIX (Medicaid)	2.3
	Law Enforcement Assistance Administration	.3
	TOTAL FEDERAL:	<u>\$ 14.2</u>
STATE:	Chemical Dependency Program Division	\$ 1.3
	Governor's Bill/EAP and Y&O	3.2
	Grant-in-aid Detoxification	4.7
	Grant-in-aid Halfway House	1.3
	Grant-in-aid Non-residential Treatment	2.3
	State Hospitals	13.4
	Medical Assistance, GAMC, and CHEPP	3.9
	Licensing Division	.4
	Education Department	.1
	Corrections Department	.4
	Public Safety Department	.3
	Administration Department	.1
	University of Minnesota	.5
	TOTAL STATE:	<u>\$ 31.9</u>
LOCAL:	CSSA/Title XX Match	\$ 16.9
	Medicaid Match	.2
	TOTAL LOCAL:	<u>\$ 17.1</u>
PRIVATE:	Insurance	\$ 43.2*
	GRAND TOTAL:	<u>\$106.4</u>

*This amount does not include any client out-of-pocket expenses, donations, or contributions.

Source: Department of Public Welfare, State Planning Agency, and Senate Research, 1980.

usually identified as the local match or contribution for state and federally sponsored programs. As Table 1 shows, local units committed \$16.9 million in fiscal year 1980 to match in part the federal Title XX funds and state CSSA funds. DPW estimated that local expenditures on CD services totaled \$17.1 million.

In previous years, each of the three services under the state's mental health grant-in-aid program required a different local participation rate; for example, the state paid a fixed 75 percent of all detoxification costs and up to 30 percent of the costs for halfway house programs. Now that these services fall under the Community Social Services Act, county boards are required to match each state dollar for social services with one local dollar.

4. PRIVATE FUNDS

According to DPW staff, it is difficult to obtain information on payments from private sources. Such funds should include, at least, third-party payments from insurance companies and fees-for-service paid directly by clients. Recently, Blue Cross-Blue Shield, in reviewing its own records and working with CDPD, estimated that in 1980 approximately \$43 million had been paid out by insurance companies for CD services; this estimate appears in Table 1. No definite information was available on the amount of money that clients might be paying out-of-pocket for all CD services in a given year.

5. FUNDING TRENDS

Data recently compiled by the Senate Research Office on total expenditures for CD programs from fiscal years 1977 to 1981 show: (1) all federal funds remained just under \$15 million, (2) all state CD funds gradually increased at about \$3 million per year from \$18 million in 1977 to \$30 million in 1981, and (3) local and private funds more than doubled from \$30 million in 1977 to an estimated \$67 million in 1981.

C. THE LEGAL CONTEXT OF DPW'S RESPONSIBILITIES

There are three principal state laws regarding chemical dependency programs: (1) the Alcohol and Drug Abuse Treatment Act, (2) the Community Mental Health Services Act, and (3) the Community Social Services Act. These three acts shape the state's CD program. Table 2 provides an overview of state laws and administrative rules relating to CD.

TABLE 2

LAWS AND RULES REGARDING CHEMICAL DEPENDENCY PROGRAMS

Common Name	Minnesota Statutes	DPW Rule
Alcohol and Drug Abuse Treatment Act	§254A.01 - .17	33 (in draft)
Outpatient Treatment	§§254A.03,* 254A.03, 254A.10, and 245.791 - .813*	43
Governor's Bill	§§254A.031 254A.12, and 254A.14 - .17	24
Receiving Centers (Detox)	§§254A.08 and 245.78 - .82	32 (under revision)
Community Mental Health Services	§245.61 - .69	28
Residential Treatment: primary treatment extended care halfway house hospital-based	§245.78 - .82*	35
Community Social Services Act	§356E	None
Marijuana Education	§152.15	None
Accident and Health Insurance Coverage	§62A.149	None
Commitment Procedures	§253A*	None

*The statutes referred to here are cited in the rule and relate either to general provisions regarding CD services or to the authority of the Commissioner of DPW to promulgate rules and regulations.

Source: Minnesota Comprehensive Chemical Dependency State Plan: Fiscal Year 1981.

1. ALCOHOL AND DRUG ABUSE TREATMENT ACT
(MINNESOTA STATUTES §254A)

The Alcohol and Drug Abuse Treatment Act established the state's policy regarding people who are chemically dependent: "that the interests of society are best served by providing such persons with a comprehensive range of rehabilitative and social services." The 1973 act established in the Welfare Department an Alcohol and Drug Abuse Section, that is, CDPD, whose duties are to:

1. conduct basic research relating to causes, prevention, and treatment;
2. coordinate all CD programs of all state agencies;
3. develop new techniques for prevention and treatment;
4. gather and disseminate information;
5. educate the general public;
6. serve as the state authority;
7. establish a state plan with which all governmental units must comply;
8. contract for the provision of comprehensive program services;
9. receive grants and gifts; and
10. establish employment guidelines regarding programs serving American Indians.

The act also established the position of special assistant for American Indian programs and a Citizens Advisory Council whose duties are to advise the commissioner: (1) in formulating policies and guidelines, (2) on the operation of the state plan and other CD matters, and (3) regarding grants of federal money to county boards.

As amended in 1979, the act requires county boards to provide detoxification programs for chemically dependent persons, to coordinate local CD services, and to review all program proposals; it also authorizes county boards to make grants for comprehensive CD programs as developed and defined by the state authority. The act specifies certain requirements regarding the provision and evaluation of detoxification programs, employee assistance programs (EAPs), services to youth and other underserved populations (Y&O), and services to American Indians. Lastly, the Alcohol and Drug Abuse Treatment Act states that the commissioner shall promulgate rules to implement the act.

2. COMMUNITY MENTAL HEALTH ACT
(MINNESOTA STATUTES §245.61-.69)

Passed in 1957, this act originally authorized the Commissioner of Public Welfare to award grants to local governmental units or non-profit corporations, such as community mental health centers, to provide services for mental illness, mental retardation, and chemical dependency.

The mental health boards were responsible for providing and evaluating services, reviewing annual plans and budgets, establishing detoxification centers, and appointing advisory committees. The Welfare Commissioner was required to promulgate rules regarding mental health programs and "such other rules and regulations as he deems necessary to carry out the purposes" of the act.

In 1979, when CSSA was passed and the Community Mental Health Act was amended, the direct involvement of the state in community mental health programs was diminished. No longer does DPW exercise discretion in allocating funds among programs or services; single block grants are now allocated by formula. Counties spend their grants on programs in accordance with CSSA plans and budgets approved by the county boards and certified by the Department of Public Welfare. County boards, instead of the Welfare Commissioner, may in turn make grants to other local agencies to operate mental health programs.

Community mental health boards must still evaluate services, but now they report to county boards rather than to the Commissioner of Public Welfare. The mental health boards must still review the annual plan and budget, and the commissioner is required to promulgate rules as he deems necessary and to evaluate local programs, reporting his recommendations to county boards.

3. COMMUNITY SOCIAL SERVICES ACT (MINNESOTA STATUTES §256E)

In the last two years, many changes have resulted from DPW's implementation of the 1979 Community Social Services Act. As was already mentioned, the act contains three components relating to funding, planning, and evaluation. The act has two allocation formulas, one for Title XX funds and one for state aids; these are based on each county's prior financial assistance caseload, general population, and population aged 65 years and older.

The amount allocated to each county is awarded as a block grant; sub-amounts are not committed by DPW to particular programs, such as chemical dependency, nor to particular services, such as detoxification. Such decisions are made by the county boards, although CSSA states that in 1980 and 1981 counties could not reduce the total funding provided in 1979 for chemical dependency.

The Community Social Services Act further provides that each county shall receive in calendar years 1980 and 1981 no less than 106 percent and 112 percent respectively of the amount of state money it received in 1978 for social services. The effect of these changes is that if prior to CSSA a county received funds specifically for Governor's Bill services, detoxification and halfway house programs, or counseling, for example, it continues to receive those funds as a block grant of comparable total size; however, it does not have to spend the block grant funds on those previously specified services. Since the passage of CSSA, detoxification is the only CD service mandated by state law.

CSSA requires the Commissioner of Public Welfare to prepare a biennial social service plan for presentation to the Governor and the Legislature. The act further requires each county to prepare a biennial social service plan and, upon final approval by the county board, to submit it to the Welfare Commissioner. The commissioner is required to certify whether the plan fulfills the purposes and requirements of law and the rules of the state agency. DPW has issued guidelines to assist counties in preparing their plans.

Beginning with calendar year 1980, counties are required to submit to DPW quarterly financial statements with information on all income and expenses designated for community social services as well as number of clients served and expenditures for each service provided. Furthermore, each county must submit an annual evaluation report on the effectiveness of its social service programs. In addition to plan guidelines, DPW has issued evaluation guidelines to assist counties in satisfying their reporting requirements.

Finally, CSSA calls upon the Commissioner of Public Welfare to submit to the Governor and the Legislature an annual report which contains an evaluation of community social service programs and recommendations for changes needed to fully implement state social service policies. The commissioner must also make whatever rule revisions are necessary to implement CSSA.

D. HOW THE PROGRAMS ARE ORGANIZED AND ADMINISTERED BY THE DEPARTMENT OF PUBLIC WELFARE

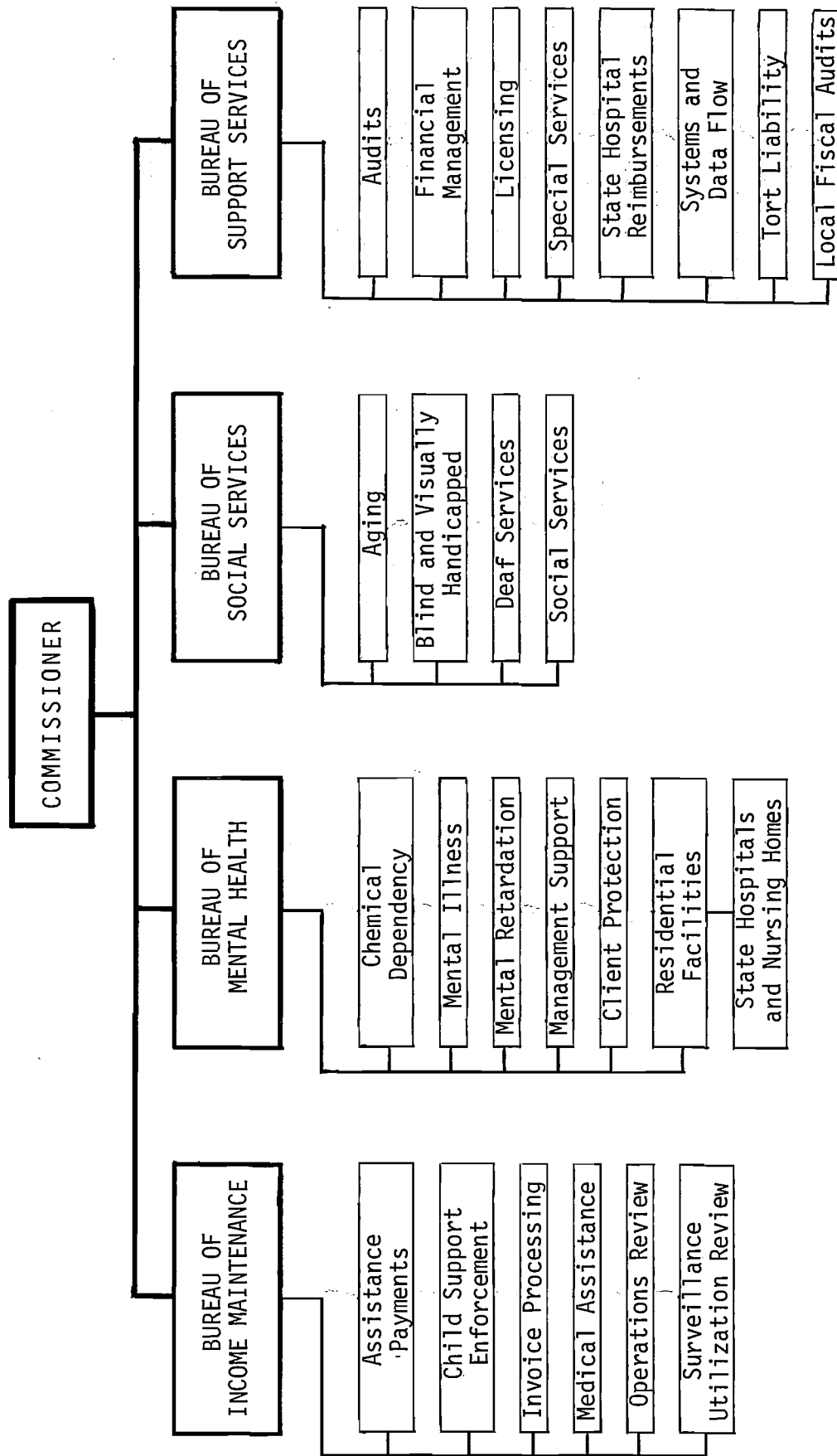
Each of the four bureaus in the Department of Public Welfare as shown in the organizational chart has responsibilities regarding CD services and clients. These responsibilities are explained below.

1. BUREAU OF MENTAL HEALTH

The Chemical Dependency Program Division in the Mental Health Bureau is responsible for developing state goals and policies; advising the commissioner on matters regarding chemical dependency programs; fostering CD-related research; and providing information to various agencies and programs, the Legislature, and the general public. In practice, CDPD engages in program development by providing technical assistance to local governmental units and service vendors and by developing administrative rules. Additionally, CDPD applies each year to the National Institute on Alcohol Abuse and Alcoholism and to the National Institute on Drug Abuse for federal CD funds and is responsible for their administration through various grants and contracts.

FIGURE 1

DEPARTMENT OF PUBLIC WELFARE ORGANIZATIONAL CHART



Source: 1981-83 Biennial Budget Proposal: Public Welfare.

CDPD works with the Citizens' Advisory Council in preparing the annual comprehensive CD plan and in reviewing applications for grants and contracts. Most recently, CDPD was responsible for reviewing the CD portions of each county's CSSA plan for compliance with DPW's plan guidelines.

To carry out its responsibilities, CDPD undertakes a number of data collection and analysis projects, including the development of a management information system, to better understand CD services and their costs and effects.

Seven of Minnesota's nine state hospitals contain CD units. Program planning takes place locally in cooperation with local agencies and service providers. Though hospital CD unit staff meet with CDPD staff for general information and assistance, the CD units are under the authority of the hospital directors who report to the Residential Facilities Division of DPW. Neither their plans nor their budgets are reviewed by CDPD, and while these CD programs are directly under the control of DPW, CDPD receives little information regarding their services and clients.

The Management Support Division is a new office in the Mental Health Bureau and recently assisted CDPD in drafting and revising administrative rules and directed the review of county CSSA plans by the program divisions of the Mental Health Bureau.

2. BUREAU OF SOCIAL SERVICES

The Bureau of Social Services and its Division for Social Services have been responsible for the state's administration of the federally-funded Title XX program. This program provides funds to county welfare departments to help secure social services, some of which are CD services, for their clients. County welfare departments submit annual Title XX plans to the Social Service Division, which in turn monitors the counties for adherence to their plans.

The bureau is also responsible for coordinating the implementation of the Community Social Services Act. The Social Service Bureau directed the development and implementation of the CSSA planning, reporting, and evaluation requirements and guidelines with the assistance of a steering committee and five subcommittees focusing on such topics as state planning, county planning, fiscal reporting, and evaluation.

We were informed by DPW that the office of the Social Service Bureau's Assistant Commissioner will probably oversee DPW's ongoing supervision of CSSA. Already, this office is preparing to revise the CSSA plan and evaluation guidelines and has hired an evaluation specialist who will be responsible for overseeing DPW's and the counties' evaluation activities.

3. BUREAU OF INCOME MAINTENANCE

The Income Maintenance Bureau's Medical Assistance Division is also responsible for administering funds which help pay for CD services. Certain services provided to welfare clients by vendors are eligible under the Medical Assistance Program for direct reimbursement by DPW.

4. BUREAU OF SUPPORT SERVICES

Financial Management is responsible for the accounting, budgeting, and financial reporting functions of DPW. It carries out the procedures prerequisite to distributing authorized funds to grantees and service providers. During this follow-up study, Financial Management provided us with data that it receives on mental health grants-in-aid, Title XX, and CSSA expenditures. This division does not conduct financial post-audits of DPW grant recipients on a routine basis; such audits are conducted only when specifically requested by one of the program divisions.

The Licensing Division is responsible for the administration and enforcement of rules for licensing programs and facilities once the rules are drafted by the relevant program division and promulgated. At present, the Licensing Division is responsible for Rule 32 governing detoxification programs, Rule 35 governing residential treatment programs, and Rule 43 governing non-residential treatment programs. Although Rules 35 and 43 are actively enforced, DPW management decided not to enforce Rule 32 shortly after it was promulgated in 1972. The department held that the original rule was inadequate and attempted to revise it in 1975 but failed. DPW is presently attempting once again to revise Rule 32 and predicts that the new rule will be promulgated before the end of 1981.

E. SUMMARY

The Chemical Dependency Program Division is designated by statute as the state authority on alcohol and drug abuse and as such engages in statewide planning and evaluation, service monitoring, policy development, and grant management for certain funds. These activities facilitate implementation of the state's policy regarding provision of a comprehensive range of rehabilitative and social services to chemically dependent people.

Recently, however, the passage of the Community Social Services Act has raised questions about state and local responsibilities for planning and evaluating federally and state funded social services, including chemical dependency. Even though DPW is still adjusting to the new requirements of CSSA, we identify in the next chapter areas where CDPD and DPW should be more effective in program supervision, and we recommend measures for improved performance.

II. STATE ADMINISTRATION OF CHEMICAL DEPENDENCY PROGRAMS

Two years ago we identified serious deficiencies in the performance of DPW, particularly of the Chemical Dependency Program Division, in:

- assembling basic information on chemical dependency programs, particularly on CD expenditures, services delivered, and clients served;
- conducting a program of research and evaluation that addresses issues of high priority to the Legislature, DPW management, and others; and
- monitoring the performance of the recipients of funds directly administered by CDPD.

In the next two chapters, we report what has been accomplished during the last two years to remedy the problems noted in our earlier report and what remains to be done.

This chapter reviews the performance of DPW and the Chemical Dependency Program Division in carrying out essential functions connected with the supervision and administration of chemical dependency programs in Minnesota. The next chapter reviews basic descriptive information on state-funded CD services.

Our general conclusion, based on a review of DPW's performance over the last two years, is that DPW, and specifically CDPD, is not functioning adequately as the state alcoholism and drug abuse authority. Critical problems noted two years ago remain unsolved.

On a more positive note, there have been improvements in some areas and there is some basis for optimism because CDPD is under new management, and virtually every position in CDPD has changed hands during the last two years. In addition, a new approach to monitoring social services, including CD services, is being implemented as a result of the passage of CSSA in 1979. While this new reporting relationship between counties and DPW has not yet been adequately implemented, a program and financial monitoring system is evolving that should be an improvement over the grant-in-aid reporting system that existed two years ago.

The Chemical Dependency Program Division contains 22 positions of which 17 are staffed by planners, research analysts, and other professionals. The responsibilities of CDPD include monitoring CD services in Minnesota through a program of planning, research, and evaluation and through the reporting mechanisms set up by DPW under CSSA. CDPD is also responsible for administering the expenditure of federal CD monies received by DPW and state funds for American Indian programs.

In general, CDPD is expected to be a source of information and expertise in chemical dependency planning and service delivery, equipped to provide technical assistance to providers, administrators, and others.

We focus on three areas of responsibility of CDPD and DPW:

- planning and monitoring of CD services under the Community Social Services Act;
- the program of planning, research, and evaluation carried out by CDPD; and
- contract monitoring by CDPD.

A. MONITORING AND REPORTING CD SERVICES UNDER CSSA

The Community Social Services Act defines requirements for the funding, planning, and evaluation of social services, including CD services. Following the passage of CSSA, DPW developed a set of guidelines to make operational the provisions of CSSA and to assist counties in developing their biennial social service plans. According to the planning guidelines, county plans are to contain the following chapters:

1. Introduction of the Plan (optional)
2. Agency Organizational Structure (optional)
3. Description of the Geographic Area (optional)
4. Citizen Participation
5. Needs Assessment
6. Goals and Objectives
7. Program Coordination
8. Purchase of Services
9. Monitoring and Evaluation
10. Services

Preliminary county plans were submitted to DPW for review in May 1980. The plans were reviewed by staff from both the Social Service and the Mental Health Bureaus. CDPD staff reviewed the CD sections of the plans and noted areas needing improvement. Counties had four to six months to revise their plans and resubmit them to DPW for final approval. Once the plans were accepted by DPW, the program objectives that counties included in the plans became the basis for annual evaluations.

Plans must specify the methods whereby community social service programs will be monitored and evaluated by the county; evaluations must be based on measurable program objectives contained in the plans. Evaluation guidelines were developed jointly by county and state representatives. The required annual evaluation reports are due shortly after the end of each calendar year and must include:

(1) the number and type of recipients of each service, and (2) an evaluation of results in terms of prestatd program objectives and performance criteria for each county social service program.

In addition to biennial plans and annual evaluation reports, counties are required to submit quarterly financial statements which include the following:

1. a detailed statement of income and expenses attributable to the community's social services fund, and
2. a statement of the source and application of all money used for social service programs by the county during the preceding quarter, including the number of clients served and expenditures for each service provided, as required by the Commissioner of Public Welfare.

We reviewed the plan guidelines, DPW's plan review process and records, a sample of county plans, the evaluation guidelines, and the quarterly financial reports. Our objective was to determine whether these monitoring devices established under CSSA have been implemented in a manner which permits effective financial and program monitoring of CD services.

■ Finding: DPW planning guidelines do not provide adequate guidance to counties in the preparation of their social service plans. Furthermore, a review of county plans revealed that they were often deficient in such important areas as needs assessment, service inventory, and methods of evaluation.

DPW's planning guidelines contain little more than what already appears in law, in spite of the fact that DPW spent six months developing them. CSSA was passed in June 1979, but the plan guidelines were not issued until January 24, 1980. The first county plans cover the years 1981 and 1982, and because mental health grants-in-aid became obsolete when CSSA became effective in January 1980, there are no plans covering 1980.

In addition to providing inadequate guidance, the guidelines permit counties to use various plan formats; to omit mention of various services, and to choose whatever planning and evaluation procedures they want. According to DPW's planning guidelines, it is the counties' option whether or not to include such items as past and projected service utilization or to explain the intended purpose and use of the plan.

DPW guidelines do not mention employee assistance programs or outreach and early intervention programs for youth and other underserved populations. Yet these are included in the definition of "community social services" specified in Minnesota Statutes §256E.03; moreover, a requirement to evaluate such programs appears in Minnesota Statutes §254A.

In addition to reviewing the planning guidelines, we reviewed a sample of the county social service plans and the worksheets used by the Mental Health Bureau and CDPD to conduct their reviews.

Counties were required to submit their preliminary plans in May 1980. After the plans were reviewed by DPW, counties had until December 1, 1980 to respond to DPW's comments and resubmit their final plans. We reviewed a 20 percent (17 plans) sample of the plans in late November and early December. Thus, some of the plans in our sample could have been further revised prior to final submission. Of the sample, 7 of the plans were from urban counties and 10 were from rural counties. Listed below are some of the deficiencies we noted in the guidelines and in the county plans. Also reported below is our rating of how well the 17 plans met specific requirements.

1. CITIZEN PARTICIPATION

County plans are required to provide a description of the methods used to encourage participation of citizens, including representatives of users of services, in development of the plan and allocation of monies. DPW's suggested method for meeting this requirement was to provide examples of announcements and meetings held. Six plans reflected insufficient input by chemical dependency groups, and many plans contained only sketchy lists of citizen involvement. Failure to publicize hearings was frequently cited by DPW reviewers as a shortcoming. Plan ratings: 4 Good, 7 Fair, 6 Poor.

2. NEEDS ASSESSMENT

Guidelines require a description of the methods used to identify persons in need of service and the social problems to be addressed by the community social service programs. DPW suggested meeting this requirement by using data available under the Minnesota Alcohol and Drug Comprehensive Assessment Plan (MADCAP) and the Problem Monitoring System (PMS). However, the 1981 state CD plan states that development of the PMS was delayed due to late updating of other agency data files, and that conversion of the program software for MADCAP created a ten-month delay in input processing. Thus, data from these sources were unavailable.

Needs assessment was frequently one of the weakest sections of the plans. While counties sometimes described their methods, they often failed to mention the needs thus identified. Without listing needs, there can be no comparison with goals and objectives. In ten cases, only superficial surveys were conducted. A few counties demonstrated good techniques and two emphasized Governor's Bill programs. Plan ratings: 5 Good, 3 Fair, 9 Poor.

3. GOALS AND OBJECTIVES

Plan guidelines require a statement of the goals of the community social service programs in the county, including measurable objectives for each program goal. DPW suggests that goal statements should address those social problems identified in the chapter on needs assessment. DPW reviewers looked for comparisons of goals and objectives with identified needs. In only six plans was such a comparison made. Most plans lacked measurable objectives, some lacked CD goals and objectives, and at least nine did not list a timetable for achievement. Plan ratings: 6 Good, 4 Fair, 7 Poor.

4. PROGRAM COORDINATION

Plans must contain a description of how the planning and delivery of various local services are to be coordinated. Seven of the counties sampled did not specify how social service programs were to be coordinated in their county. Plan ratings: 4 Good, 6 Fair, 7 Poor.

5. PURCHASE OF SERVICES

Plan guidelines require evidence that serious consideration has been given to the purchase of services from private and public agencies and an inventory of public and private resources which are available to the county for social services. The inventory of CD resources must specifically include programs funded under state and local laws, occupational programs, voluntary organizations, education programs, military and veterans administration resources, and available public and private third-party payment plans. DPW directed counties to indicate which resources were available for the chemically dependent. Counties often provided extensive lists of service providers in their county. However, problems arose when services were not listed by type. Four counties failed to include a list. Plan ratings: 5 Good, 8 Fair, 4 Poor.

6. MONITORING AND EVALUATION

Plan guidelines require a description of the methods whereby community social service programs will be monitored and evaluated by the county. In suggesting ways to meet this requirement, DPW informed counties that "standard methods" for the annual effectiveness report would be available to assist counties in developing their final plans due December 1, 1980.

Although DPW did provide some reporting forms, it did not provide counties with adequate methodological guidance. CSSA states that counties' annual evaluations must be on the basis of measurable program objectives; but in the plan guidelines, DPW states merely: "you are encouraged to adopt [methods] . . . that will enable you to evaluate . . . objectives."

Second to needs assessment, evaluation was the most neglected topic in county plans. In six cases, no evaluation methods were described. Several plans referred to the Joint State/County Evaluation Project Team methods under development and left it at that. We believe that only two plans could be assessed as good to excellent. In a few cases, reviewers approved plans despite the obvious lack of monitoring or evaluation efforts. Only four plans referred to specific target groups or measurable evaluative criteria. Plan ratings: 4 Good, 4 Fair, 9 Poor.

Our overall assessment of the plan guidelines and the sampled plans is that a great deal has been left undone in the two years following enactment of CSSA. In an attempt to preserve the counties' authority for planning their own services, the plan guidelines are unnecessarily vague in areas which would not infringe on counties' rights and which relate mainly to DPW's responsibility for overseeing county services. The guidelines also do not adequately advise counties of specific methods to employ in such areas as needs assessment and evaluation.

Recommendation: The plan guidelines should be changed as follows:

- The request for information on past and projected service utilization, currently optional, should be mandatory.
- Greater guidance should be provided to counties regarding the various methods available for satisfying each of the chapters, specifically for needs assessment, inventory of services, and evaluation.
- Plan guidelines should require not only a description of needs assessment methods but the substantive results as well.
- The inventory of local resources should receive considerable attention as a means for DPW to be knowledgeable of the availability of local services.

■ Finding: DPW and CDPD did not adequately develop uniform criteria for reviewing county social service plans.

Each of the program divisions in the Mental Health Bureau reviewed the county plans. Within CDPD, the workload was distributed among five staff members, each member reviewing a different plan. The review process was not sufficiently standardized to ensure a uniform review of the plans by the various divisions and by various CDPD staff members.

Although orientation meetings were held to familiarize staff members with the review process, not enough guidance was provided on what was necessary for a county plan to be judged acceptable. No written materials were developed to assist staff members, and no one in CDPD supervised the actual review activities and findings of

individual staff members. The logistics of the review process might have been well-orchestrated, but we found little written evidence of quality control. There was also no indication that plans were reviewed for their consideration of state plans, goals, or policies.

Recommendation: DPW should develop standardized instructions and worksheets for use by program division staff members in reviewing county plans. Both counties and DPW staff should have a clear understanding of the detailed items necessary for plans to be approved.

■ Finding: DPW did not develop and disseminate evaluation guidelines to counties on a timely basis. Although it took DPW over a year to develop the guidelines, the document provided counties with little guidance.

DPW convened a joint state/county committee to develop the evaluation guidelines. A report with recommendations from the committee was not issued until June 1980, six months into the CSSA program year and a full year after the act had been passed. Counties were then invited to respond to the report. In November 1980, DPW distributed to counties the official evaluation forms and instructions for preparing the annual county evaluation reports.

The guidelines are very brief and provide little operational guidance beyond the language of CSSA. The guidelines provide few suggestions to counties on how they might monitor their services; yet in the evaluation component of the county plans which requires counties to describe their monitoring methods, some counties stated that they were awaiting DPW's evaluation guidelines.

The cover letter for the DPW guidelines repeatedly assures counties not to be concerned if their data or reports are incomplete. County evaluation reports were just being submitted while we were finishing our report. Therefore, we did not have a chance to review them. DPW staff, however, informed us that it was immediately apparent that counties did not know how to develop measurable program objectives and that this detracted from the evaluation reports.

■ Finding: DPW did not adequately enforce the submission of county quarterly financial reports.

DPW did not issue copies of the quarterly financial report form to counties until after the beginning of the fiscal period. Thus, counties could not prepare ahead of time to record their transactions accordingly. When DPW did issue the forms, it was not made clear to the counties that submission of the reports was mandatory and that the requirement would be enforced. Nearly half the counties failed to submit reports after the end of the first two quarters. By the end of 1980, some counties were still not routinely submitting the quarterly reports. Furthermore, the failure to submit these reports means that DPW was unable to verify whether counties satisfied the maintenance of effort required by CSSA. Moreover, we know of no other audit or independent research conducted by DPW to verify

whether, in fact, counties did maintain their previous program funding levels in 1980.

Recommendation: DPW should enforce the submission of the required quarterly financial statements and ensure that they fully satisfy the provisions of CSSA.

B. PLANNING, RESEARCH, AND EVALUATION ACTIVITIES IN THE CHEMICAL DEPENDENCY PROGRAM DIVISION

Two years ago we reviewed the planning, research, and evaluation program of CDPD. Our evaluation was based on the view that, in order of priority, DPW and CDPD need to arrange for:

- basic descriptive information on CD service costs, the volume of services delivered, and the number and kinds of clients served;
- information on service efficiency--for example, unit costs and utilization rates; and
- information on service effectiveness and cost effectiveness.

Since the difficulty and expense of gathering the third type of information is greater than gathering the first or second types, and since all are needed, we concluded that CDPD and DPW should concentrate on assembling basic descriptive information before embarking on more difficult or costly planning or evaluation systems.

We further reasoned that CDPD should focus first on CD services financed by state funds rather than privately purchased services because, as a matter of priority, DPW must see to it that the mechanisms are in place for overseeing publicly operated or financed CD programs.

By this reasoning we concluded that CDPD ought to be prepared to respond to predictable calls for information from the Legislature, DPW management, and others, and that there were major gaps that need to be filled through planning, research, and evaluation projects. Among the deficiencies we cited two years ago were:

- an absence of data on services delivered or clients served through expenditures of state money;
- a failure to compile needed information on existing educational and treatment resources;
- a failure to take a practical approach in assessing the need for CD services;

- a tendency to ignore projects of considerable state and local interest in favor of what appealed to federal alcohol and drug authorities; and
- a failure to effectively carry out or monitor in-house planning, research, and evaluation projects and to monitor the performance of contractors. We concluded that this was due in part to an absence of needed skills among the CDPD staff assigned to carry out these responsibilities.

To follow-up these findings we reviewed the planning, research, and evaluation activities of CDPD during the two-year period just ended. We reviewed projects carried out in-house as well as those carried out through contracted services.

■ Finding: In terms of tangible results, little progress has been made in the last two years to correct the deficiencies we noted in our earlier report and which are reiterated above.

There is, however, some basis for optimism since the new management of CDPD recognizes that deficiencies exist which need to be remedied and has already taken certain necessary steps. The following sections review key topics covered in our previous study and note the current status of problems we observed earlier.

1. CDPD STAFF

CDPD contains a planning, research, and evaluation section consisting of eight positions. In addition to a section head and clerical and data processing support personnel, this section includes a research coordinator, an evaluation coordinator, a management information coordinator, a grants manager, and a state plan coordinator. All of these are senior professional positions to be staffed generally by persons with graduate degrees and records of previous accomplishments.

Two years ago we concluded that this unit lacked the competence to carry out and manage the work it was expected to perform. Over the last two years, all senior level positions have changed hands. It is impossible to know whether these staff changes will result in improved performance, since key changes were made in the last few months. Nonetheless, the current staff of the Planning, Research, and Evaluation Section appears to be better qualified than was the staff of two years ago.

2. RESOURCE DIRECTORY

Two years ago CDPD, even with some help from contractors, failed to put together a comprehensive list or directory of CD service providers in Minnesota. This is an obvious and necessary first step in the planning, analysis, research, or evaluation of CD services. Although it is targeted as a major goal for 1981, this job had not been accomplished as of early 1981.

3. MANAGEMENT INFORMATION SYSTEM

Two years ago we described the protracted and expensive failure of CDPD to implement a management information system designed to report client flows in detoxification centers and halfway houses. Problems with this system have continued for the better part of two more years. Although it is currently providing reports to CDPD, to CD programs, and to counties, major questions remain concerning the long-term usefulness and capabilities of the system. For example, CDPD is uncertain whether the system should be expanded to include data on other services in addition to detox and halfway houses. It is also unclear how the system will be integrated with the CSSA reporting mechanisms.

4. STATE CD PLAN

Two years ago we described the CD state plan as awkward if not incoherent. The current state plan apparently meets the requirements of federal funding authorities, but still contains irrelevant, inappropriate, and misleading material. Although the plan is supposed to set forth the goals and priorities for Minnesota's CD programs and provide information and guidance to state decision-makers and local services providers, a major portion of the state plan (nearly 70 of the 250 pages) is simply CDPD's annual work program--material of little use to anyone other than CDPD staff.

5. CONTRACTED PROJECTS

We reviewed all contracted planning, research, and evaluation projects funded by CDPD in the past two years in order to see whether these projects were generally more successful, more relevant, or more useful than the set of projects we reviewed two years ago.¹

We conclude that the overall result of contracted studies during the last two years is disappointing. Although some useful results were obtained, there is much room for improvement in the selection of topics, the selection and monitoring of contractors, and the utilization of results.

6. PLANNING, RESEARCH, AND EVALUATION PRIORITIES

Two years ago we concluded that CDPD lacked a clear idea of how to invest its staff resources and the federal and state monies available to fund planning, research, and evaluation projects. We criticized its program of contracted projects as speculative and overly ambitious, especially since more immediate, practical needs were left unmet.

¹A list of these projects is presented in the appendix.

We singled out a couple of projects for criticism because they indicated that CDPD lacked the ability to specify meaningful and useful projects, to select contractors with appropriate capabilities, and to monitor contractors' activities effectively during the life of the project. One project, the Problem Monitoring System, was harshly criticized in our previous report because it illustrated these failings. In the two-year period just ended, this project was continued at a cost of \$43,317 in addition to the \$63,300 that had been spent through 1978. However, in our view, CDPD made the correct decision in mid-1980 when it finally decided to discontinue this system and cease throwing good money after bad in an effort to salvage a needs assessment tool that was ill-conceived from the beginning.

Another multi-year project, the Evaluation of the Prevention Support System, costing \$43,358 through 1978 and budgeted for \$96,020 for fiscal year 1980, was terminated by the contractor when it became obvious that the goals of the project could not be achieved. In our view this project was also destined to fail because it was based on naive and unworkable assumptions.

Current CDPD management acknowledges that it lacks a policy governing what it wants to accomplish with the state and federal monies available to fund contracted studies in support of its planning, research, and evaluation functions. It has postponed the commitment of additional money until it determines what its priorities are in this area.

7. OUTCOME AND COST ASSESSMENT STUDIES

A rider to the 1979 Health, Welfare, and Corrections Appropriations Act required DPW to investigate a minimum of four factors regarding the costs and effectiveness of CD programs: (1) comparative unit cost of program components; (2) comparative success in reaching goals; (3) comparative success in the design and implementation of an effective system of program evaluation; and (4) comparative success in outcomes for persons served, especially in the treatment component. CDPD took its time in responding to this requirement, but finally in April 1980 it contracted with Walker & Associates and Ernst & Whinney to carry out studies on CD program outcomes and unit costs.

Only draft reports covering parts of the contract were available in time for our review; some information from these draft reports is cited in the next chapter. Since these studies were mandated by the 1979 Legislature, CDPD should be faulted for not initiating them soon enough to be delivered prior to the start of the 1981 session.

8. DETOXIFICATION

Our earlier study noted that CDPD was not doing enough to investigate detoxification projects given the high level of interest and concern about detox programs across the state.

Two years ago, CDPD contracted for client follow-up studies in several detox centers, and in mid-1979 reports of these studies were delivered. The purpose of the follow-up studies was to learn about the results of detox and to develop a methodology that could be used by detox programs across the state to monitor their clients once they leave the program.

The usefulness of the follow-up studies was severely limited by the encyclopedic scope of the investigation of characteristics of detox clients on the one hand, and the limited success with which detox center clients were, in fact, followed up.

Something like one-half the selected samples of clients were successfully interviewed; therefore, no reliable conclusions about program effectiveness could be made. The researchers suspect that the former clients they were able to contact were probably more successful in such areas as employment and abstinence than were the sampled clients who could not be reached. In order to learn how programs affect all clients, including chronically dependent clients who might be difficult to trace during the follow-up, we believe it would have been more informative in a one-shot study to have contacted all of the clients of three detox centers instead of the 50 percent sample attempted, but not achieved, for six centers.

Owing to the complexity and scope of the methodology used, the project does not serve well as a model for widespread use. It would have been preferable to pay more attention to developing a simple tool, one that could be used by individual detox service providers to address the most important questions about what happens to detox clients after they are discharged.

Possibly as a result of our previous report, CDPD decided that it did need to learn more about the range and cost of detox services in Minnesota and it contracted with a Washington-based consulting firm. This study resulted in a useful general report, but it was only a first step in examining state detox policy and service effectiveness.

9. GOVERNOR'S BILL PROGRAMS

Early intervention, prevention, and outreach programs initiated under the Governor's Bill have been the focus of considerable legislative interest and concern. However, with the possible exception of the study mandated by the 1979 Legislature which has yet to be delivered, nothing useful has been done by CDPD staff or contractors to add to the understanding of program costs, unit costs, or service effectiveness. A follow-up study of Governor's Bill clients in Hennepin County was a failure because it was unable to identify and follow up program clients. Also, as noted elsewhere, the Governor's Bill data collection and reporting system operated by Saunders Software was discontinued last year by CDPD.

10. STATE HOSPITAL CD UNITS

State hospital CD programs were almost totally ignored by CDPD two years ago, even though the barriers to collecting data on these programs ought to be fewer than barriers to collecting information from private service providers. Since then, CDPD has continued to give these programs very limited attention. Only the reports by Walker and by Ernst & Whinney have provided any additional information, despite the fact that about one-half of all state CD money goes to state hospitals, and despite the fact that utilization of hospital CD capacity averages about 75 percent.

11. CONCLUSIONS AND RECOMMENDATIONS

In general, the program of planning, research, and evaluation studies conducted during the last two years has not been successful, although some useful reports have been produced, and, optimistically, CDPD has learned what mistakes to avoid in the future. Our observations are meant to characterize the work of CDPD staff and contractors in general, and are based not only on a review of what has been done, but also in consideration of what might have been accomplished with the staff of professionals and the hundreds of thousands of dollars of state and federal money that have been available.

Over the last two years CDPD has addressed some of the deficiencies noted in our earlier study. For example, it contracted for a study of detoxification programs, partially in response to our observation that CDPD had ignored this area of service. And in January 1981, CDPD hired an evaluation coordinator, a step we recommended two years ago.

As we noted, there is reason to believe that the coming two years will be more productive than were the last two years. To ensure that improvements occur in the area of planning, research, and evaluation, we recommend the following:

- CDPD should concentrate on filling the gaps in needed information, arranging for descriptive information on: first, services, costs, and persons served; then, efficiency of service delivery; and finally, program effectiveness.
- CDPD should focus on planning, research, and evaluation projects that are practical and useful and that are within its ability to carry out, assimilate, and use.
- CDPD should improve the usefulness of the state CD plan by splitting it into separate documents for federal funding authorities, for its own internal use, and for local units of government. The quality and accuracy of the state plan also needs to be improved.

C. MANAGEMENT OF CDPD GRANTS AND CONTRACTS

Two years ago, we carried out a systematic review of CDPD's contract management activities. We examined the procedures used in making funding decisions and monitoring contracts. We found CDPD's records to be incomplete, and this prevented us from evaluating the merit and effectiveness of individual projects. We subsequently proposed a number of recommendations aimed at improving CDPD's contract review and selection procedures.

In connection with contract management, we found that: (1) contracts were often worded too vaguely to determine whether they were satisfactorily completed, (2) reporting requirements were poorly enforced, (3) contract files were in disarray, and (4) neither CDPD nor DPW was systematically monitoring grant recipients and contractors.

As part of our follow-up study, we returned to CDPD to determine whether the division has significantly improved its management of contracts. In general, we found considerable improvement in the administration of contracts and recordkeeping, but that CDPD remains weak in tracking the cumulative financial commitments of its contracts and in monitoring and evaluating the final contract products.

Two positions on the CDPD staff are assigned to contract management: a senior grants manager and an assistant grants coordinator. The senior position has been vacant for nearly one year.

1. FINANCIAL OVERVIEW OF CDPD CONTRACTS

The Chemical Dependency Program Division is responsible for the administration of grants and contracts involving certain federal and state funds. As of October 1980, CDPD had 123 active contracts, representing encumbrances of over \$4 million. These are identified in Table 3. Most of the contracts were awarded for the period from July 1, 1980 to June 31, 1981.

2. PROCEDURES FOR GRANT APPLICATION, REVIEW, AND MONITORING

The basic steps by which CDPD accepts, reviews, and monitors grants and contracts are as follows:

1. A request for proposals is developed and advertised when appropriate.
2. Grant applications are submitted and reviewed by CDPD staff and the Citizens Advisory Council.
3. Formal contracts are prepared and signed.

4. Notice is given to Financial Management to obligate funds and establish accounts.
5. Notice is given to the Finance Department to encumber funds.
6. Two months cash is advanced to grant recipients.
7. Grant recipients submit monthly progress and expenditure reports resulting in monthly reimbursements.
8. Grant recipients submit final reports and receive final payments.

TABLE 3

CDPD CONTRACTS ACTIVE OCTOBER 1980*

General Category	Federal Source	Number of Contracts	Amount of Funding
Administration	federal	1	\$ 40,000
American Indian	federal	12	457,697
American Indian	state	17	1,108,669
Prevention and Intervention	federal	9	574,683
Quality Assurance and Evaluation	state/federal	4	234,719
Training	federal	6	217,420
Treatment and Rehabilitation	federal	5	253,696
Statewide Services (Drug Treatment)	federal	6	859,584
Uniform Act	federal	4	135,660
Detox Transportation	federal	59	265,807
TOTAL:		123	\$4,147,935

*These agreements constitute the active contracts administered by CDPD as of October 1, 1980. They include some contracts which went into effect as early as November 1978 (fiscal year 1979) and some which will remain in effect as late as September 1981 (fiscal year 1982). The majority of contracts, however, fall entirely within fiscal year 1981.

Source: Chemical Dependency Program Division, 1980.

Other management procedures are worth noting. DPW does not authorize reimbursement of expenses until the contractor's monthly progress report has been approved by CDPD staff and the expenditure report has been approved by Financial Management staff. Also, contractors do not receive their final payment until they submit final reports. Contractors may request amendments of their contracts but the requests must be in writing; typically, requests are for: (1) increasing the monetary amount, (2) changing the work statement, or (3) extending the contract period. Requests for amendments generally require a duplication of the entire grant application and another review process.

Two years ago, we found many deficiencies regarding contract files, contract language, reporting requirements, on-site monitoring, and financial audits. In conducting our follow-up study, we interviewed staff members who are responsible for contract management, we reviewed the various procedures, and we examined a sample of the contract files.

■ **Finding:** CDPD has made many improvements in its contract files, contract language, and contract reporting requirements.

Two years ago, CDPD had difficulty producing reliable lists of all contracts. Some contract files could not be located, and files were poorly organized and maintained. Now the files are in much better condition. CDPD was able to immediately provide an accurate list of its contracts, specifying the contractor's name, grant period and number, amount, description, status, and relation to the state plan.

We reviewed approximately 35 contract files. Because all 59 detox transportation grants are virtually the same, we reviewed only half a dozen of these; however, we reviewed 50 percent of the other 64 contract files. CDPD now maintains a central grants file, and in every case, we were immediately able to find each file in its proper location. Contracts not in the file were properly signed out. Every file was generally complete and contained the following items: a cover sheet, a signed contract with a clear specification of the grantee's duties, expenditure and progress reports, requests and approvals for grant amendments, and general correspondence.

The cover sheets of each file, which are used to log in progress and expenditure reports, revealed that, for nearly one-half of the contracts sampled, reports were occasionally filed late. Only two files were missing reports. While it appears to be common for grantees to submit reports late--that is, more than 15 days beyond the end of the month--most reports were submitted within 30 days.

One-half of the files which we reviewed contained requests or approvals for grant amendments. In nearly every case, the request was for increased funding. We found no evidence of denied requests, and requests rarely explained the reason for the needed increase in funding. This is a weakness in the system that should be corrected: the grant files should contain documentation explaining the reason for the requested grant amendment.

Over 80 percent of the contracts contained work plans involving easily understood, measurable objectives. The remaining 20 percent (six contracts) contained project descriptions of service objectives which, while usually understandable, were not always concrete and measurable.

Recommendation: Although our overall assessment of CDPD's contract files is favorable, we recommend the following changes:

- Greater attention should be given to completing the cover sheets; specifically, the cover sheets should record every monthly expenditure and the date each progress and expenditure report is received. If Financial Management reimburses an amount different than what was requested, both amounts should be indicated on the cover sheet.
- CDPD should make use of the cover sheet item for recording "Action Taken on Late Reports."

■ Finding: DPW and CDPD have made little if any progress towards establishing routine site visits, conducting financial audits of contracted programs and projects, or otherwise critically reviewing the substance of the projects either in progress or upon completion.

Two years ago, we found that CDPD did not have a formal system for on-site monitoring of contractors: staff members responsible for monitoring contracts received no training or procedural instruction, no schedule of visits was established, no standardized forms for recording visits were used, and no records of visits were in the central files.

Today, conditions are essentially the same for the various grant categories, with one notable exception: the American Indian grant program. In recent months, the American Indian special assistant has established a number of worthwhile devices including a standardized grant application form (now used by the entire CDPD staff), a site-visit reporting form, and a work objective for each of the three staff members to visit two programs a month. A financial audit of an American Indian program was also conducted at the request of the special assistant. The file for one American Indian contractor contained evidence that staff had made reimbursement contingent on submission of a more detailed progress report.

Although CDPD's new administrative procedures constitute a measurable improvement over the situation we found two years ago, one notable deficiency remains and this may be due, at least in part, to the grants manager vacancy in CDPD. CDPD has no automated procedures to monitor or analyze the cumulative effect of its awards. Specifically, when grants are awarded, funds come from a variety of federal and state accounts, and grants are related to specific objectives contained in the state CD plan. However, CDPD cannot easily determine throughout the year, as it continues to review grant applications, the pattern of commitments already made. Thus, CDPD has

difficulty knowing how much uncommitted money remains in its accounts and how much money it has already committed to various state plan objectives.

CDPD also has not developed general procedures for critically reviewing contractors' work either in progress or upon completion. Thus it happens that contractors can deviate from what CDPD had in mind because division staff do not routinely monitor work in progress. Furthermore, once most projects are completed or grant periods end, CDPD does not formally review the projects to determine such things as whether contractors have fully satisfied contract requirements, how the product can best be put to use, or how projects can be designed better in the future.

Recommendation: CDPD should establish a formal on-site monitoring program which includes staff instructions, standardized reporting forms to be stored in the central grants file, and at least a limited number of financial audits each year which are widely publicized so that all grantees are aware that they might be the subject of a future audit.

III. AN ASSESSMENT OF SERVICE ACTIVITY, COSTS AND EFFECTIVENESS OF STATE-FUNDED CHEMICAL DEPENDENCY SERVICES

This chapter provides updated information on the volume, cost, efficiency, and utilization of CD services. Two years ago we set out to collect, analyze, and report all available information on the effectiveness of CD services in Minnesota. Where we found descriptive information or information on the efficiency or effectiveness of CD programs, we reviewed it for what it could tell legislators about CD services.

We focused on services funded by the state--early intervention and outreach programs established by the Governor's Bill; detoxification, halfway house, and counseling services funded by grants-in-aid to area mental health boards; and state hospital CD programs. These services continue to be publicly funded although the funding mechanisms of two years ago were changed as a result of the passage of the Community Social Services Act (CSSA) in 1979.

Because of the relative availability of data and the high level of legislative interest two years ago, we focused much attention on Governor's Bill services. We concluded that they appeared to be inordinately expensive and failed to achieve the results anticipated when the Governor's Bill was passed in 1976.

We also found that CDPD had experienced repeated, protracted, and expensive failures in its efforts to collect information on the clients of detoxification centers and halfway houses. We concluded that CDPD had more or less ignored these programs which were funded through grants-in-aid as well as state hospital CD programs. Nonetheless, in these service areas, we pulled together the limited information that was available.

This chapter presents what we were able to do in twelve weeks to update the information on each of these CD service areas. We discuss, in turn, Governor's Bill programs, detoxification centers, halfway houses, and state hospital CD programs.

A. GOVERNOR'S BILL PROGRAMS

The Governor's Bill, passed in 1976, established prevention and early intervention services through employee assistance programs (EAPs), education and outreach programs for youth and other underserved groups (Y&O), and various services to American Indians. Early intervention is aimed at identifying people in the early stages of chemical dependency and referring them to services that presumably are less costly than those that are needed when problems become more severe.

As shown in Table 4, nearly \$13 million has been spent over the past four years for Governor's Bill programs. EAPs alone cost approximately \$3.8 million in state funds during this period.¹ The data show a growth in expenditures in the first two years, a leveling-off in the third year, and an apparent decrease in the last year.

As of January 1980, employee assistance programs and the other education, outreach, and early intervention services known collectively as Governor's Bill services ceased to exist at the state

TABLE 4

GOVERNOR'S BILL EXPENDITURES
1977 - 1980

Fiscal Year	EAP	Y&O	American Indian	Total
1977	\$ 734,620	\$1,199,217	\$ 220,914	\$ 2,154,751
1978	1,029,299	1,569,914	1,112,144	3,711,357
1979	1,283,611	1,756,096	864,694	3,904,401
1980	736,360*(est.)	1,392,311*(est.)	953,190*	3,081,861
TOTAL:	\$3,783,890	\$5,917,538	\$3,150,942	\$12,852,370

*These figures were computed by doubling actual expenditures for the first six months of fiscal year 1980. We did this in order to derive amounts equivalent to what might have been spent in one full year had the EAP and Y&O programs been maintained at the levels existing prior to the passage of CSSA.

Source: Budget, Encumbrance, and Expenditure Report issued November 1980, Financial Management Division; and the Special Assistant for American Indian Programs.

¹This amount does not include the employers' share of EAP costs which is 10 percent in the first year of the program, 50 percent in the second year, and 100 percent thereafter.

level as a separately funded and administered category of CD services.¹ Funding decisions for such services now rest with county government.

In our study two years ago, we assembled information from several sources on expenditures and service activity in Governor's Bill programs. Because the program monitoring and financial monitoring mechanisms that existed two years ago were discontinued with the passage of CSSA, it is no longer possible to quickly compile, short of a special survey of all counties, basic information on the costs and service activity of EAPs and other Governor's Bill programs.

CSSA established a new reporting relationship between counties and DPW which could be the mechanism for collecting data on service activity and financial information for any desired category of services. At present, however, counties are not asked to report separate information on outreach programs, employee assistance programs, and prevention programs that in the past were part of the Governor's Bill.

Although the accounting mechanisms that were in place two years ago are no longer operating today, it is possible to provide some updated information through early 1980, and to reach some broad conclusions concerning what has happened to the services established by the Governor's Bill.

1. EMPLOYEE ASSISTANCE PROGRAMS

Employee assistance programs are comprised of occupational program consultant (OPC) services and diagnosis and referral (D&R) services. OPC services consist of writing company policy, training supervisors to identify and refer employees with job performance problems, and conducting the public relations necessary to set up an EAP for a given employer. D&R services consist of diagnostic interviews between employees and trained D&R workers.

The main purpose of EAPs is to improve accessibility for people in the workforce to existing treatment resources. Theoretically, employers realize a net savings from EAPs by reducing the absenteeism and poor job performance which result from chemical dependency or other problems. Because it was thought that affected employees would avoid a service specifically aimed at CD problems, EAPs were established as "broad brush" programs designed to identify workers whose jobs were affected by a variety of problems, such as financial, marital, and emotional problems, as well as chemical dependency.

¹An exception is the continuation of residential treatment and certain other services provided for American Indians. Although these services were initiated under the Governor's Bill, they differ in concept from other Governor's Bill services in that they provide treatment in addition to prevention and early intervention services.

Until January 1980, the state provided funds to area mental health boards to pay a share of the costs of setting up and running EAPs. Area boards contracted with private vendors to inform employers about the program and to assist interested employers in establishing their own EAPs. The state financed EAPs for individual employers for two years, covering 90 percent of the costs in the first year and 50 percent in the second year. It was hoped that afterwards employers would maintain the employee assistance programs on their own.

In 1978, we estimated that it cost approximately \$1,500 to set up an EAP, and that diagnosis and referral interviews cost about \$260 each. By allocating start-up costs over a five-year period, we further calculated that the total cost to the state of one diagnosis and referral interview was \$345 in 1978.

Table 5 presents a view of the accomplishments of state-funded employee assistance programs over their four-year history. The last two years show a leveling-off and decline in the establishment of new programs.

As Table 4 shows, \$3.8 million was spent between 1977 and 1980 on EAPs and as Table 5 shows, about 7,000 referrals, of which 2,561 were for CD problems, were made during this period.

■ **Finding:** Based on an analysis of limited data, it appears that EAPs have not achieved projected and anticipated levels of service activity and efficiency.

We believe that our previous conclusion that EAPs were excessively expensive describes the performance of EAPs during 1979 and 1980 as well. However, the statistical information we base this conclusion on is not definitive.

Over a four-year period, \$3.8 million of state money was spent to establish and operate EAPs. At the end of this period, according to available data, 7,072 people had received a one- to two-hour D&R interview and, when appropriate, were referred to treatment. Of these, 2,561 were diagnosed as having CD problems.

Caution is necessary because the available count of referrals may be incomplete. We performed a quick survey of 12 EAP vendors and found that some vendors--whose activity accounted for about 600 of 2,100 referrals--ceased reporting referrals after programs were two years old and therefore ineligible for state support.

However, even allowing for the fact that the total number of referrals has been undercounted and the fact that some programs will continue to generate referrals after state funding runs out, the volume of service activity financed by \$3.8 million in state money and additional money from employers seems disappointingly low.

■ Finding: Despite our finding two years ago that EAP costs appeared to be excessive and our recommendation that these programs be more carefully evaluated, CDPD has failed to adequately monitor service costs and activities.

While we believe that available data suggest that EAPs have been excessively expensive, there are many questions that cannot be addressed with available information. The four-year life of EAPs has been a period when CDPD has failed to perform its responsibility under Minnesota Statutes §254A to evaluate Governor's Bill programs.

During the last two years, CDPD has sponsored a couple of projects that were expected to provide unit cost estimates for early intervention programs. In fact, a rider to the 1979 appropriations act directed DPW to conduct a study that would have provided such information. However, the contractor conducting that study was unable to assemble representative information on the per referral costs of EAPs.

TABLE 5

EMPLOYEE ASSISTANCE PROGRAMS AND REFERRALS
1977 - 1980

Fiscal Year	New EAPs Established	Newly Covered Employees	All Referrals*	CD Referrals*
1977	190	42,323	265	100
1978	429	54,493	1,503	550
1979	358	43,118	2,673	1,308
1980	101	10,754	2,631	603
TOTAL:	1,078	150,688	7,072	2,561

*Each figure in these columns reflects the number of referrals which occurred in a single year. The referrals were generated by both newly established EAPs and EAPs established in earlier years. The count of referrals presented in the last two columns is known to be incomplete because some service providers discontinued reporting on programs two years after they were established. Our best estimate is that the number of referrals in 1979 and 1980 could be under-reported by as much as one-third.

Source: Chemical Dependency Program Division, and Saunders Software, Inc., 1980.

■ Finding: CDPD has recently discontinued the monitoring of Governor's Bill programs even though the requirement remains in Minnesota Statutes §254A.

During 1977, 1978, and 1979, CDPD administered Governor's Bill funds and contracted for the monitoring of programs. Beyond June 1979, some area boards continued their support of Governor's Bill services by providing money from their mental health grants-in-aid and more recently from CSSA block grants. Since January 1, 1980, however, when the Community Social Service Act took effect, expenditure reports are no longer submitted for Governor's Bill services. However, service vendors did continue to submit client information through calendar year 1980 to Saunders Software, Inc., the private firm under contract with CDPD to monitor Governor's Bill programs.

The provisions of Minnesota Statutes §254A.16 still require that employee assistance programs and other Governor's Bill programs be evaluated by DPW. Neither the CSSA guidelines for planning nor for evaluation specify EAP and Y&O services in the list of services to be reported; thus, it is unlikely that CSSA reporting mechanisms will provide the data necessary for DPW's evaluation of Governor's Bill services. The CDPD director agrees that DPW still has a responsibility for monitoring and evaluating these services.

Recommendation: As long as the evaluation requirement is retained in Minnesota Statutes §254A, DPW should ensure that Governor's Bill services are adequately monitored through such mechanisms as the former contract with Saunders Software or by including EAPs and Y&Os in the list of services for CSSA plans and reports.

2. PROGRAMS FOR YOUTH AND OTHER UNDERSERVED GROUPS

The Governor's Bill also provided funds to area boards for the purchase of services aimed at prevention, identification, and, in certain circumstances, treatment services for youth and other underserved populations (Y&O). Underserved groups are defined by DPW Rule 24 as women, the elderly, Blacks, Chicanos, and gays/lesbians. Y&O programs consist of service activities aimed directly at target groups and at people who work with target group members. For example, Y&O programs include presentations both to youth and to teachers or social workers who work with young people and are in a position to identify and refer clients for further services.

When we reviewed Y&O programs two years ago, we examined all available information on costs, services delivered, and program results. There were no client follow-up data which could be used to evaluate the long-term effectiveness of Y&O programs, although some data were available on the volume of service activity and number of referrals. A severe impediment to understanding the results of Y&O programs was that DPW was not collecting information on how expenditures were distributed among service categories or

among specific target groups. That is, area boards were not required to report how much money they spent separately on youth, women, and the elderly; or how much they spent for specific activities such as D&R, education, and counseling. This lack of detail made it difficult, if not impossible, to compare costs and service activity and to reach conclusions about program efficiency.

In our study two years ago, we suggested, on the basis of the limited data we reviewed, that Y&O services were excessively expensive. The data on which that conclusion was based are presented along with updated information for 1979 and 1980 in Table 6.

The main concept behind the Governor's Bill was to provide support for diagnostic and referral services. As Table 6 indicates, in fiscal year 1978, \$1,569,914 was spent for Y&O services and 6,273 referrals were made; in addition, 22,014 different individuals participated in 6,150 group sessions. As in the case of employee assistance programs, expenditures and referrals have declined since 1978. The number of group sessions reached a peak in 1979 and also has since declined.

There continues to be a sharp difference between the amounts of service delivered in Hennepin and Ramsey Counties and the remainder of Minnesota. However, services delivered in the outstate areas are increasing as a proportion of the state total. In 1978, only 4 percent of all CD referrals were delivered outstate; in 1980, that share was 26 percent. In contrast, the number of group sessions has been evenly divided between the metropolitan and the outstate areas. Between 1978 and 1980, money spent outside Hennepin and Ramsey Counties constituted between 44 and 47 percent of all money spent on Y&O programs.

Our analysis two years ago was based on assumptions concerning what D&R and educational services might reasonably cost. Since this analysis was speculative, and since an unduplicated count of people reached through group sessions is no longer available, we present the figures in Table 6 without any conclusions about program efficiency. We also present the following finding concerning the adequacy of CDPD's response to our earlier study.

■ **Finding:** Despite the provocative findings of our earlier study, instructions from the 1979 Legislature, and the requirements of Minnesota Statutes §254A to evaluate these services, CDPD and DPW have not collected information on Y&O services and expenditures that permits useful assessment of what services have been provided and to whom.

3. PROGRAMS FOR AMERICAN INDIANS

The primary thrust of the Governor's Bill was to establish early intervention services, but the bill also promoted the development of a broad range of services for American Indians. Codified as

TABLE 6

GOVERNOR'S BILL, YOUTH AND OTHER UNDERSERVED PROGRAMS:
METROPOLITAN AND OUTSTATE COMPARISON

	Y&O Expen- ditures	Total Re- ferrals	CD Re- ferrals	Number of Group Sessions Conducted	Number of People In Groups*
<u>FY 1977</u>					
Metro	\$ 663,500	3,683	3,284	NA	41,529
Outstate	<u>535,717</u>	<u>199</u>	<u>140</u>	<u>NA</u>	<u>56,398</u>
Total:	\$1,199,217	3,882	3,424	4,932	97,927
<u>FY 1978</u>					
Metro	\$ 861,676	5,293	4,781	3,229	11,067
Outstate	<u>701,762</u>	<u>980</u>	<u>767</u>	<u>2,921</u>	<u>10,947</u>
Total:	\$1,569,914	6,273	5,548	6,150	22,014
<u>FY 1979</u>					
Metro	\$ 791,251	4,433	4,038	9,155	54,872
Outstate	<u>693,617</u>	<u>1,644</u>	<u>648</u>	<u>9,487</u>	<u>136,121</u>
Total:	\$1,484,868	6,077	4,686	18,642	190,993
<u>FY 1980</u>					
Metro	\$ 780,609**	4,126	3,120	7,646	54,201
Outstate	<u>611,702**</u>	<u>1,445</u>	<u>1,091</u>	<u>5,342</u>	<u>61,192</u>
TOTAL:	\$1,392,311**	5,571	4,211	12,988	115,393

Metro = Ramsey and Hennepin Counties.

NA = Data Not Available.

*1977, 1979, and 1980 data are a duplicated count of participants at group sessions; 1978 data are an unduplicated count.

**These figures were computed by doubling the amount spent during the first six months of fiscal year 1980.

Source: Chemical Dependency Program Division, Governor's Bill Reporting System. Expenditure data provided by Financial Management.

part of Minnesota Statutes §254A, the act requires DPW to provide the following services through purchase of service agreements: residential and aftercare treatment; programs relating to prevention, education, and community awareness; and training.

American Indian programs receive funds from various state and federal sources; Table 4 shows the amounts of state money provided each year. Of the approximately \$1 million that the programs have received in each of the past four years, between one-third and one-half has gone to the Mash-ka-wisen residential primary treatment center. The center was built with Governor's Bill funding and has a capacity of 28 beds. The center had hoped to become independent of state funds, relying on client fees, third-party payments, and federal funds, but the program has continued to draw upon significant amounts of state funding, including \$357,370 in fiscal year 1981.

When we conducted our follow-up study and investigated CDPD's contract management system, we learned that \$1.1 million in state funds has been awarded through 17 grants to American Indian programs for 1981, including \$357,370 for Mash-ka-wisen. Table 7 shows the distribution of these funds.

The primary reporting system for American Indian programs is comprised of the monthly progress and expenditure reports required of grant recipients by CDPD. In the past year, the special assistant for American Indian programs has attempted to analyze the financial data and service information extracted from these reports in order to monitor program costs and efficiency. This concept was a step in the right direction, but the actual results were not always meaningful.

One obvious error is the method used to compute unit costs. CDPD staff added the number of different units of service delivered, such as bed days, individual counseling sessions, and group lectures, and divided the sum into total costs in order to derive a cost per unit of service. These unit costs are meaningless, however, because it is impossible to specify what a unit of service is.

When conducting such an analysis in the future, staff should select standard units, such as bed days or admissions, and base their analyses on single standard units. In this way, they could compute the average cost per day of primary treatment, for example, or the average cost per admission. They could monitor the average cost of one day in various halfway house programs or the average cost of a three-day stay at detoxification centers.

In order to analyze the cost of various services provided by a single program, it is necessary to determine how much of a program's total expenses is attributable to each service. At present, CDPD's staff is limited in its ability to perform such analysis. Because of these various problems, it was not feasible for us to report on the costs or the effectiveness of the individual American Indian services.

TABLE 7

AMERICAN INDIAN STATE GRANTS
FISCAL YEAR 1981

Grantee	Primary Activity	Amount
Mash-ka-wisen	primary treatment	\$ 357,370
White Earth	out-patient services	112,219
Mille Lacs HWH	halfway house	94,688
Minnesota Chippewa	counseling and prevention	69,000
Minnesota Chippewa	youth counseling	52,000
Bois Forte	youth education and prevention	48,864
CD Diversion	court evaluations and counseling	45,000
Fond-du-Lac	education	45,000
Grand Portage	youth counseling	45,000
Leech Lake	community awareness	45,000
Minneapolis American Indian Center	youth prevention	45,000
Indian Neighborhood Center	counseling	33,967
Leech Lake HWH	halfway house	33,030
Mille Lacs	counseling	30,000
White Earth	youth intervention and prevention	30,000
Mineo Detox	counseling	14,686
Winaki House	counseling	3,845
TOTAL:		\$1,104,669

Source: Contract Report dated October 1, 1980, Chemical Dependency Program Division.

B. DETOXIFICATION CENTERS AND HALFWAY HOUSES

Prior to enactment of the Community Social Services Act, funds for detoxification centers and halfway house programs were provided through mental health grants-in-aid to area boards. Effective January 1, 1980, the Mental Health Grant-in-aid Program was subsumed by the Community Social Service Program. Tables 8 and 9 show the amounts of grant-in-aid money going to CD programs over the past four years and the source of funding for each program in 1979.

Two years ago, we attempted to collect and analyze data on detoxification and halfway house programs in order to assess their effectiveness and efficiency. We found that while there was a significant effort to collect data from service providers, DPW was essentially unable to provide useful information on services and costs.

In our follow-up study, we set out to determine whether DPW has improved its ability to produce information on the number of programs in the state, the number of clients served, the days of service, and the costs of service.

■ **Finding:** DPW is still not capable of providing reliable and useful information on the costs and effectiveness of detoxification and halfway house programs, although projects conducted during the last two years have been useful toward meeting this objective.

TABLE 8

GRANT-IN-AID EXPENDITURES
FOR CHEMICAL DEPENDENCY SERVICES
FISCAL YEARS 1977 - 1980

Grant-in-aid Components	1977	1978	1979	1980*
Detox	\$3,675,349	\$4,412,320	\$4,421,400	\$4,720,726
Halfway House	1,057,243	1,105,194	1,222,369	1,331,238
Non-Residential (Counseling and Coordination)	<u>1,627,407</u>	<u>1,980,946</u>	<u>2,029,688</u>	<u>2,279,644</u>
TOTAL:	\$6,359,999	\$7,498,460	\$7,673,457	\$8,331,608

*These estimates were computed by doubling expenditures for the first half of fiscal year 1980.

Source: Fiscal years 1977 and 1978 Grant-in-aid "Chemical Dependency Fiscal Reconciliation Reports"; fiscal year 1979 and 1980 Budget, Encumbrance, and Expenditure Report. Division of Financial Management.

1. DETOXIFICATION PROGRAM INFORMATION

Two routine sources of information are maintained by DPW on detoxification programs: (1) CDPD's Minnesota Alcohol and Drug Comprehensive Assessment Plan (MADCAP) system contains such data as the number of admissions, length of stay, and demographic characteristics of clients; and (2) the Financial Management Division's Budget, Encumbrance, and Expenditure (BEE) Report records the amounts of state funds spent for detoxification. These sources have serious limitations however; for example, not all detoxification programs report on the MADCAP system, and the BEE reports reflect only state funds, which are estimated to account for only 63 percent of total detoxification expenses.

There are three other sources of relatively current information on detoxification programs: (1) a 1978 study by Katon & Associates sponsored by CDPD which provided data on such items as number of clients served and average costs per client; (2) a detoxification client follow-up study sponsored by CDPD and conducted by

TABLE 9

DISTRIBUTION OF INCOME BY SOURCE FOR DETOXIFICATION, HALFWAY HOUSE, AND NON-RESIDENTIAL TREATMENT PROGRAMS FISCAL YEAR 1979

	Detoxification Centers	Halfway Houses	Non-residential Treatment
TOTAL INCOME	\$6,809,227	\$4,818,138	\$5,789,020
Federal	1%	31%	5%
State	63	25	35
Local	33	12	53
Other*	3	32	7
TOTAL:	100%	100%	100%

*The most significant item in this category is individual fees.

Source: Analysis conducted by the Mental Illness Program Division in 1979 and provided by the Chemical Dependency Program Division, 1980.

Rainbow Research, Inc. to design and test client follow-up procedures; and (3) a 1979 one-time study conducted by DPW's Financial Management Division which attempted to estimate the amount of federal Title XX funds spent by each county for CD services in October 1979.

DPW has not produced a comprehensive document on the cost and effectiveness of detoxification programs in Minnesota; moreover, when we attempted to pull together data from the sources mentioned above, we encountered a number of problems. To begin with, the Katon study, which is the most complete report yet produced on detoxification programs, originally contained inaccurate cost data which had to be corrected by CDPD. Furthermore, no one has yet to document the amount of local funds, both public and private, spent for detoxification services, nor has anyone developed an unduplicated count of detoxification clients.

According to CDPD staff, efforts to study detoxification programs have been hindered by the reluctance of such programs routinely to provide periodic data requested by DPW or by contractors working for DPW. Staff members suggested that DPW could insist on the submission of such data through the enforcement of Rule 32, promulgated in 1972 to govern detoxification programs. However, DPW has never enforced this rule, and as a result, the programs go unlicensed and poorly monitored. The Community Social Services Act provides a mechanism for the routine reporting of both client and cost data for such programs as detoxification, but to date its reporting requirements have not been fully specified, implemented, or enforced.

As the information in Table 10 shows, nearly \$7 million was spent for detoxification services in 1980; of this amount, the state paid almost \$5 million or 63 percent. In reviewing our data from two years ago, we find a number of interesting, albeit minor, changes. The cost of programs had ranged from approximately \$50 to \$100 per day; now the minimum and maximum costs are more extreme with a low of \$16 and a high of \$166 per day. The average cost for all centers had been \$61 per day; it has since increased by 16 percent to \$71 per day.

Two years ago, the average length of stay for most detoxification programs in Minnesota was 3.1 days; the average stay has since dropped 3 percent to 3.0 days. Total annual admissions increased by 4 percent from 32,515 in 1978 to 33,814, and the total days of service increased by 26 percent from 100,797 to 126,856 days.

According to recent data provided by CDPD, 51 percent of total detox clients in 1980 had been previously admitted to detox centers in the past 12 months.

Two years ago, we interviewed service providers, local government officials, and others involved in CD services in Minnesota, and found that issues connected with the cost and concept of detox services were of great concern. We recommended that CDPD

TABLE 10

DETOXIFICATION PROGRAM CHARACTERISTICS: 1979

Name	Expendi- tures (1,000)	CY 79 Admis- sions	CY 79 Average Length of Stay (Days)	CY 79 Average Days of Service	Cost Per Day of Service
Arlington/Gaylord	\$ 4	9	2.7	24	\$166
Brown/Nicollet	76	276	2.8	773	98
Cannon Valley	NA	174	3.0	522	NA
Central Minnesota	184	1,015	2.3	2,335	78
Chain of Lakes	67	319	3.7	1,180	57
Chanhassen	468	2,346	3.3	7,742	60
Clay County	35	197	3.1	611	57
Dakota County	122	909	2.6	2,363	52
Douglas	8	61	3.6	220	36
Duluth	422	2,620	2.6	6,812	62
Fountain Lake	95	1,108	5.5	6,094	16
Glenmore	171	629	3.1	1,950	88
Graceville	82	166	4.3	714	115
Hazelden	4	52	2.1	109	37
Hennepin Central	2,359	8,212	6.1	50,093	47
Hutchinson	38	176	2.9	510	75
Immanuel/St. Joseph	209	774	2.4	1,858	112
Lake Region	78	250	2.3	575	136
Mercy Medical	NA	405	3.4	1,377	NA
Mineo	150	855	2.9	2,480	60

Mineral Springs	NA	31	3.0	93	NA
Near Southside	392	2,624	2.8	7,347	53
Pine Manor Detox 1	81	666	2.7	1,798	45
Pine Manor Detox 2	35	272	2.7	734	48
Project Turnabout	61	283	2.2	623	98
Ramsey	759	4,290	3.1	13,299	57
Range	250	1,578	3.2	5,050	50
St. Joseph	123	673	3.5	2,356	52
Southwestern	114	411	3.1	1,274	89
White Earth	121	510	3.4	1,734	70
Willmar	133	600	2.6	1,560	85
Zumbro Valley	138	1,323	2.0	2,646	52
TOTAL:	\$6,779	33,814	3.0 (Average)	126,856	\$ 71 (Average)

Source: Data for expenditures from the Minnesota Alcohol Detox System report published by Richard Katon & Associates, March 1, 1980. Calendar Year Admissions and Average Length of Stay from MADCAP. Average Days of Service and Cost Per Day of Service computed by Program Evaluation Division staff.

invest additional staff and monetary resources to investigate issues of high priority such as detox. CDPD responded by hiring a detox coordinator and sponsoring a couple of contracted studies. These are useful steps but have not fully met the urgent needs of local government, service providers, and the general public.

Recommendation: DPW should be faulted for its failure to develop an operational rule governing detoxification programs following its decision not to enforce the version of Rule 32 promulgated over nine years ago. DPW should promulgate a revised rule as a matter of high priority. Detoxification is the only mandated CD service, but without enforcement of Rule 32, it is not clear what is mandated: an expensive, medically-supervised program with extensive ancillary services costing in excess of \$160 per day, or something much less but just as safe and effective. As we suggested two years ago, this is an area where DPW should exercise greater leadership.

2. HALFWAY HOUSE PROGRAMS

There are four routine sources of information on halfway houses: (1) CDPD's MADCAP system provides information on admissions, length of stay, and demographic characteristics of clients; (2) Financial Management's BEE Reports document the expenditure of state funds for halfway house programs; (3) DPW Title XX Reports record the expenditure of federal Title XX funds for CD halfway house programs; and (4) a directory by the Minnesota Council of Intermediate Care Facilities, most recently published in October 1978, contains data on program capacity and fees for services and a listing of programs.

Additional information on halfway house programs is included in two recent reports written by Walker & Associates and Ernst & Whinney in 1980 under contract with CDPD. The Walker report provides data on client activity and the Ernst & Whinney report provides data on program costs.

All these sources of information suffer the same shortcomings for halfway houses as they do for detoxification programs; for example, no one has documented total local expenditures, and an unduplicated count of clients has not been developed. Halfway house program data suffer from one further complication, however: according to CDPD, there is no commonly accepted standard definition for "halfway house," and data collection is hindered by the resulting confusion with other residential programs.

When we studied halfway house programs two years ago, we found scant information; the current situation regarding routine information is scarcely better. As a result of our research, we learned from DPW that nearly \$5 million was spent for halfway house services in fiscal year 1979; of this amount, the state paid \$1.3 million or 25 percent. As Table 11 shows, the fees charged by these programs for each day of service ranged in 1979 from \$9 to nearly \$33 per day.

Ernst & Whinney surveyed Minnesota's 45 halfway house programs and of those, only 28 houses or 62 percent responded. Since the information acquired from halfway houses by Ernst & Whinney was deemed confidential, data were not reported for individual programs. Rather, averages for total costs, admissions, occupancy, and other statistics were computed for all houses. Ernst & Whinney found the average per diem expense to be \$24 with a range of \$12 to \$90; the average length of stay for halfway house patients was 91 days, ranging from 42 to 194 days. It was also discovered that, on the average, houses have an 83.5 percent occupancy rate at any given time, with a total capacity of 616 persons.

Ernst & Whinney computed the average per diem by dividing 187,837 patient days into an estimated \$4.4 million spent in fiscal year 1979. The \$23.50 per diem expense is 17 percent higher than the average fee of \$20.10 charged by halfway houses (computed from The Directory of Intermediate Care Programs and CDPD cost information). Ernst & Whinney found that only two-thirds of the houses surveyed fell within a per diem range of \$18 to \$29. Ernst & Whinney data suggest that higher per diem costs generally exist in rural areas and in programs less than 18 months old. Houses that provide service to special populations such as youth, the elderly, American Indians, and women also showed higher per diem costs. Further study by CDPD of the reasons for differences in per diem costs as well as more ongoing data on halfway houses are needed.

We arrive at two conclusions as a result of our follow-up research in this area: (1) in spite of the information provided by several recent studies, CDPD remains unclear about what data are necessary to adequately monitor detoxification and halfway house programs, and (2) CDPD and DPW seem to be uncertain about their responsibilities for monitoring and evaluating such services.

Recommendation: DPW should ensure that the administrative rule governing halfway house programs provides for reporting information necessary to meet the basic needs of accountability for public funds and the assurance of quality care at reasonable costs.

C. STATE HOSPITAL CD UNITS

State hospital CD programs account for the largest share of state dollars appropriated for CD programs--an estimated \$13.4 million for fiscal year 1980 or virtually 50 percent of the state's total appropriation for that year.

Our evaluation two years ago benefitted from a research project on the state hospital system which DPW had just completed. The study focused on all hospital programs, not solely CD, but it provided data which permitted estimation of the total cost for CD

TABLE 11

HALFWAY HOUSE PROGRAM CHARACTERISTICS: 1979

Name	CY 1979 Admissions	FY 1979 Fee Charged Per Day of Service
AGAPE	73	\$16.00
American Indian Services	107*	18.96
Ahrigi-Be-Mah Dig Center	110	80.00/Mo.
Bell Hill	160**	32.70
Chain of Lakes	64**	31.17**
Dayton	62	NA
Douglas Place, Inc.	33	15.97
Fellowship Club	NA	NA
Focus XII	42	15.20
Heron Lake	20	20.15
Horizon Home	32	22.05
House of Hope	44	20.64
Howard Friese	55	14.43
Jane Dickman	83	22.80
Juel Fairbanks Aftercare	84	20.82
Kent House	44**	9.00**
Lake Region	30	13.50
Marty Mann	25	12.36
Mille Lacs	32	31.17
New Connections	80**	30.86
Nuway House	367*	10.41
180 Degrees	NA	32.47
On Belay	NA	31.95
Pine Circle	66	11.32

Port Rehab	125	21.42
Progress Valley I	NA	22.22
Progress Valley II	NA	22.22
Red Lake	9**	NA
Red River Serenity	24	9.50
St. Francis House	48	18.00
Serenity Manor	48	19.26
Shanti House	96	19.10
Sherburne	52**	23.19
Team	112	19.42
Thunderbird	32	21.04
Turning Point	33*	21.04
Unity House	12**	NA
Way 12	75*	19.71
Wayside	120*	NA
West Hills	44	18.95
White Earth	35**	NA
Winaki House	57	32.10
Wren House	3*	NA
TOTAL:	2,538	\$20.10 (Average)

NA = Data Not Available.

*Fiscal year data.

**Minnesota Community Corrections Association.

Source: Admissions provided by MADCAP and CDPD. Per diem charge provided from A Directory of Intermediate Care Programs published by the Minnesota Council of Intermediate Care Programs.

services. However, it did not permit computation of the cost of individual services provided by state hospitals, such as residential primary treatment, emergency detoxification, outpatient treatment, or aftercare. The report provided historical data and projections for client populations and client characteristics such as age, sex, and primary problem.

As part of our follow-up study, we requested from DPW information on its hospital-based CD programs regarding the amounts of service provided, the costs of those services, and their effectiveness.

■ **Finding:** Although state hospital CD programs account for virtually one-half of the state's appropriations for CD services, both CDPD and central DPW offices remain unable to provide much routine information about these programs.

We found the data on state hospital CD programs to be as sketchy as any of the other CD services we investigated, if not more so. This was disturbing for two reasons: first, because of the large amount of state funds involved, we expect more attention to be focused on these programs; and second, these programs are directly under the control of DPW. Thus, gaining the hospitals' cooperation in monitoring services should not be the problem that obtaining the cooperation of other service providers has been. As a result of our original findings, we recommended that CDPD and DPW give greater attention to evaluating state hospital CD units.

Throughout our follow-up study, we turned to CDPD first when seeking information on various CD programs. We expected CDPD, as the state authority, to have at least general information on all programs, if not detailed cost and client data. When CDPD was not able to meet our data needs, we expected the division to be familiar with the information generally possessed by other offices and to be able to refer us to the most appropriate party. However, this was not often the case.

In seeking information on state hospital CD programs, we found that CDPD had virtually no information about them. For example, the state comprehensive CD plan contains virtually no information on state hospital programs. Furthermore, when we contacted the Residential Facilities Division of DPW, which oversees the state hospital system, it was able to provide us with little information regarding costs and services of the hospital-based CD units. Table 12 shows the data we were able to collect on state hospital CD programs without extensive research. DPW staff were very reluctant to provide us with estimated expenses for CD-related administration, support, and maintenance because of the limitations of their own data.

In comparing this with the information we obtained two years ago, we see that the average daily population for CD services increased 11 percent from 571 in 1977 to 636 in 1980. In contrast, DPW had projected that the daily population would increase only 4 percent to 591 by 1980. In 1978, there were 740 beds for CD, and

the utilization rate was 77 percent. For 1979, the study by Ernst & Whinney identified 874 beds and a utilization rate of 75 percent.

The Residential Facilities Division of DPW distinguishes between "licensed beds" and "utilized beds." DPW staff estimate that as of June 1979, the seven state hospital CD units had 1,066 licensed beds but only 866 utilized beds.

DPW estimated that for 1977 the average cost per patient day was just under \$40 for the entire hospital CD system. For 1980, that amount rose to \$58 per patient day--a 46 percent increase over a three-year period.

Focusing on the state hospital primary treatment centers, Ernst & Whinney calculated that in 1980 the seven programs cost \$10.5 million, that there were 237,944 patient days, and that per diem expenses ranged from \$38 to \$52, for an average of \$44 per day.

TABLE 12

GENERAL COST AND CLIENT DATA
FOR STATE HOSPITAL CD PROGRAMS
FISCAL YEAR 1980

<hr/>		
A.	Average Daily Population	
	Total state hospital population	4,847
	State hospital CD population	636
<hr/>		
B.	Annual Patient Days	
	Total state hospital	1,769,064
	State hospital CD	232,140
<hr/>		
C.	Annual Expenses	
	CD treatment and programs	\$ 7,307,922
	Administration (CD portion)	2,831,008
	Support & Maintenance (CD portion)	<u>3,224,136</u>
	TOTAL:	\$13,363,066
<hr/>		
D.	Average Cost Per Patient Day	
	\$13,363,066 divided by 232,140 = \$58/day	
<hr/>		

Source: Reimbursement Division, Support Services Bureau, Department of Public Welfare, 1980.

We are not in a position to assess which figures are more accurate, nor can we conclude with certainty that CD programs are ineffective or inefficient. However, we find no substantial improvement in CDPD's or DPW's monitoring of state hospital CD units over two years, in spite of our recommendation to give more attention to the costs and effectiveness of these state-operated programs.

Recommendation: Each state hospital CD program should be required to routinely report to DPW a basic set of data including such items as the number of clients served, the number of client days of service, utilization of specific services, and the total expenditures for each service provided.

There are too many unanswered questions concerning the utilization, appropriateness, efficiency, and effectiveness of state hospital CD programs. DPW needs to devote time and attention to monitoring and evaluating state hospital CD programs that is commensurate with the fact that about 50 percent of state CD monies go to these programs.

APPENDIX

APPENDIX

PLANNING, RESEARCH, AND EVALUATION PROJECTS (Status as of mid-February 1981)

Current Projects

1. Outcome Assessment of Selected Chemical Dependency Programs

Amount: \$145,851
Contractor: Walker & Associates
Contract Period: April 1980 - February 1980
Status: Interim reports delivered. Final report
not yet available, although a partial draft
was delivered mid-February 1981.

2. Cost Assessment of Selected Chemical Dependency Programs

Amount: \$55,500
Contractor: Ernst & Whinney
Contract Period: April 1980 - December 1980
Status: Final report delivered February 1981.

3. Evaluation Activities Intended to Improve Detoxification Services

Amount: \$83,660
Contractor: Rainbow Research
Contract Period: March 1980 - March 1981
Status: Interim report on Services Definition.

4. DWI Driving Clinic Study

Amount: \$11,680
Contractor: Minnesota Safety Council
Contract Period: August 1980 - December 1980
Status: No report available.

5. CD Human Resources Analysis Project

Amount: \$55,595
Contractor: Rich & Associates
Contract Period: September 1980 - September 1981
Status: No report available.

6. Statewide Services Monitoring

Amount: \$59,758
Contractor: Minnesota Behavioral Institute
Contract Period: October 1980 - September 1981
Status: Several manuals have been produced.

7. Governor's Bill Data Collection Reporting System

Amount: \$30,308
Contractor: Saunders Software
Contract Period: July 1980 - December 1980
Status: System terminated December 1980. Contract requirements completed.

1979-1980 Projects

8. Client Follow-up Studies

Amount: \$82,671 plus \$6,956
Contractor: Rainbow Research
Contract Period: July 1978 - June 1979,
January 1979 - June 1979
Status: Client follow-up studies for six detox centers, four other transitional and treatment programs, and Hennepin County Governor's Bill programs.

9. Person Education Developmental Education Evaluation

Amount: \$25,000
Contractor: Person Education Developmental Education, Inc.
Contract Period: January 1979 - October 1979
Status: Final report delivered.

10. Developing Appropriate CD Treatment Approaches for Clients With Mental Health and Mental Retardation Problems

Amount: \$21,954 plus \$11,065
Contractor: University of Minnesota
Contract Period: September 1978 - August 1979,
October 1979 - September 1980
Status: Final report not yet available.

11. Evaluation of a Prevention Support System

Amount: \$96,000 (all but \$19,633 returned)
Contractor: University of Minnesota, AODAP
Contract Period: April 1979 - January 1980
Status: Project terminated.

12. Detoxification Policy Study

Amount: \$66,580 plus \$6,500
Contractor: Katon & Associates
Contract Period: June 1979 - January 1980,
January 1980 - February 1980
Status: Final reports delivered.

13. Research on Media Prevention Messages - Phase II

Amount: \$31,500
Contractor: Namkkal-Eringer Marketing Research
Contract Period: January 1979 - December 1979
Status: Report of a survey of high school students delivered.

14. Governor's Bill Data Collection and Reporting System

Amount: \$147,529
Contractor: Saunders Software
Contract Period: July 1978 - August 1980
Status: Contract requirements completed.

15. Problem Monitoring System

Amount: \$45,500 plus \$43,317
Contractor: Multi-Resource Center
Contract Period: September 1978 - May 1979,
August 1979 - July 1980
Status: Final report delivered.

STUDIES OF THE PROGRAM EVALUATION DIVISION

Final reports and staff papers from the following studies can be obtained from the Program Evaluation Division, 122 Veterans Service Building, Saint Paul, Minnesota 55155, 612/296-8315.

1977

1. Regulation and Control of Human Service Facilities
2. Minnesota Housing Finance Agency
3. Federal Aids Coordination

1978

4. Unemployment Compensation
5. State Board of Investment: Investment Performance
6. Department of Revenue: Assessment/Sales Ratio Studies
7. Department of Personnel

1979

8. State-sponsored Chemical Dependency Programs
9. Minnesota's Agricultural Commodities Promotion Councils
10. Liquor Control
11. Department of Public Service
12. Department of Economic Security, Preliminary Report
13. Nursing Home Rates
14. Department of Personnel, Follow-up Study

1980

15. Board of Electricity
16. Twin Cities Metropolitan Transit Commission
17. Information Services Bureau
18. Department of Economic Security
19. Statewide Bicycle Registration Program
20. State Arts Board: Individual Artists Grants Program

1981

21. Department of Human Rights
22. Hospital Regulation
23. Department of Public Welfare's Regulation of Residential Facilities for the Mentally Ill
24. State Designer Selection Board
25. Corporate Income Tax Processing
26. Computer Support for Tax Processing
27. State-sponsored Chemical Dependency Programs, Follow-up Study

In Progress

- 28. Construction Cost Overruns at the Minnesota
Correctional Facility - Oak Park Heights
- 29. Individual Income Tax Processing
- 30. State Building Construction Division
- 31. Real Estate Management Division