STATE OF ARIZONA

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AUDITOR GENERAL

OFFICE OF THE

AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

August 25, 2011

The Honorable Rick Murphy, Chair
Joint Legislative Audit Committee

The Honorable Carl Seel, Vice Chair
Joint Legislative Audit Committee

Dear Senator Murphy and Representative Seel:

Our Office has recently completed a 24-month followup of the Department of Health Services, Division of Behavioral Health Services—Substance Abuse Treatment Programs regarding the implementation status of the 27 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in July 2009 (Auditor General Report No. 09-07). As the attached grid indicates:

- ◼ 11 have been implemented;
- ◼ 5 are not yet applicable;
- ◼ 9 are in the process of being implemented; and
- ◼ 2 are not implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the Department's efforts to implement the recommendations from the July 2009 performance audit report.

Sincerely,

Dale Chapman, Director
Performance Audit Division

DC:ss
Attachment

cc: Will Humble, Director
          Department of Health Services

Department of Health Services— Substance Abuse
Auditor General Report No. 09-07
24-Month Follow-Up Report

Recommendation	Status/Additional Explanation

Finding 1: Division should focus on strategies that improve outcomes

1.1 To help improve retention, the Division should:

    a. Collect and monitor data on retention and completion, including length of stay and disenrollment reasons;

Implemented at 6 months

    b. Establish performance goals and financial and/or nonfinancial incentives and disincentives related to retention and treatment completion in its RBHA contracts, taking care to avoid encouraging providers to inappropriately retain consumers in treatment in order to meet the goals;

Not yet applicable
The Division has begun analyzing data on the reasons for disenrollment and the lengths of stay for substance abuse treatment consumers, and reported that it will use the data to establish performance goals and/or incentives in future Regional Behavioral Health Authority (RBHA) contracts, which will begin in July 2012 for Maricopa County and July 2014 for the other regions of the State.

    c. Use its existing oversight practices such as its quarterly case reviews to determine whether RBHAs are taking appropriate steps to retain and engage consumers in treatment; and

Implemented at 24 months

    d. Based on the results of these reviews, the Division should work with the RBHAs to address weaknesses through mechanisms such as technical assistance, training, contract requirements, and/or policy and procedural changes.

Implementation in process
Instead of using its quarterly case reviews, the Division relies on annual case reviews performed by an independent health services research firm to identify weaknesses. Although the Division did not identify any specific weaknesses during the annual independent case review conducted in August 2010, it used a meeting with RBHAs to identify barriers that limit providers' ability to conduct outreach and engagement. The RBHAs identified lack of funding for these activities as a barrier, and the Division allocated $36,150 of Substance Abuse Prevention and Treatment (SAPT) Block Grant monies to the RBHAs to use for outreach and engagement to remove barriers for women's treatment services. The Division reported that it will look at retention and engagement efforts in the independent case review scheduled for September 2011.

1.2 To make better use of the continuum of care to improve treatment outcomes, the Division should:

    a. Establish standards for assessing the severity of consumers' substance abuse problems and referring them to appropriate treatment;

Implemented at 24 months

Recommendation	Status/Additional Explanation

b. Using data, monitor implementation of these standards as part of its regular oversight of RBHA performance;

Implementation in process
The Division contractually requires the use of the American Society of Addiction Medicine's Patient Placement Criteria (ASAM-PPC). It is in the process of providing training on the standards. For example, the Division has provided regional training sessions to RBHA staff, as well as hosted an ASAM retreat for RBHA staff. In addition, provider staff will receive ASAM training, and according to the Division, it has established a June 30, 2012, deadline for all RBHA and provider staff to be trained on how to use ASAM-PPC.

c. Define appropriate expectations for case management of substance abuse consumers, taking into consideration costs of case management and the advantages of monitoring consumers with severe or complex cases;

Implementation in process
The Division has drafted an Adult Substance Use Disorder Treatment Protocol that includes expectations for case management and use of evidence-based practices. The Division reported that the protocol is being reviewed prior to becoming policy.

d. Collect and monitor data relevant to assessment and case management; and

Not yet applicable
The Division reported that it will implement this recommendation after implementing recommendations 1.2b and 1.2c, and the relevant data is available.

e. Work with the RBHAs to make improvements when its oversight identifies weaknesses.

Not yet applicable
The Division reported that it will implement this recommendation after implementing recommendations 1.2b and 1.2c, and the relevant data is available.

1.3 To better ensure the use of appropriate evidence-based practices, the Division should:

a. Monitor compliance with its contractual requirements to use evidence-based practices;

Implemented at 24 months

b. Work with RBHAs to provide technical assistance, training, and guidelines as appropriate to ensure that providers have the guidance needed to implement specific evidence-based practices such as motivational interviewing, cognitive behavioral therapy, and community reinforcement therapy;

Implementation in process
The Division has provided guidance and training on assessment and treatment protocols for adolescents. In addition, it has used federal grant monies to provide training on specific evidence-based practices for adolescents and children such as community reinforcement approach training and motivational interviewing. However, it has not yet provided technical assistance, training, and guidance regarding specific evidence-based practices for adults. According to the Division, although it has provided training on evidence-based practices for treatment placement to the RHBAs, the training on specific evidence-based practices cannot be provided until the Adult Substance Use Disorder Treatment Protocol has been approved and implemented (see recommendation 1.2c).

c. Develop a method to track and monitor self-help group participation;

Implemented at 6 months

d. Encourage RBHAs to offer a wider variety of self-help programs for consumers; and

Implemented at 24 months

e. Consider working with the RBHAs to develop procedures to engage consumers in community and peer support outlets that would reinforce progress made in treatment once consumers are disenrolled.

Implemented at 24 months

Finding 2: Division should improve oversight of substance abuse programs

2.1 The Division should provide more guidance to the RBHAs on how to evaluate outcome information.

Implementation in process
The Division has established a dashboard—a page that contains up-to-date information—on its Web site that displays outcome and performance data, and each of the RBHAs has taken steps to develop their own dashboard. Additionally, the dashboard contains a data dictionary with instructions on how to calculate treatment outcome scores. The Division reported that it will use the information on the dashboard to develop baselines that the RBHAs can use to evaluate consumer outcomes.

2.2 To ensure that the Division collects consumer treatment outcome information uniformly, addresses providers' concerns about its assessment form's length, and retains its ability to monitor and easily validate outcome data and comply with statute, the Division should continue its efforts to streamline outcome data collection.

Implemented at 24 months

2.3 To improve treatment effectiveness, in addition to implementing related recommendations in Finding 1 (see pages 9 through 29), the Division should:

a. Modify its contracts with the RBHAs to include minimum outcome-based benchmarks or performance goals, financial and/or nonfinancial incentives, and penalties related to consumer outcomes such as treatment retention, including length of stay benchmarks, continuation of care including transition from detoxification to further treatment, and abstinence;

Implementation in process
The Division has added a financial incentive linked to employment outcomes to all RBHA contracts, but has not added penalties to the contracts. The Division reported that it is considering implementing additional incentives for outcomes depending on resource availability.

b. Continue its efforts to address data collection and analysis issues in order to develop accurate information regarding RBHA performance in relation to benchmarks; and

Implemented at 24 months

Recommendation	Status/Additional Explanation

c. Encourage the RBHAs to consider contractually implementing a method of financially or nonfinancially incentivizing substance abuse treatment providers who exceed the goals established in the RBHA contracts and penalizing those providers that continually fail to meet the standards related to consumer outcomes, treatment retention, and treatment completion.

Not implemented
The Division had made progress in implementing this recommendation by beginning to establish baseline standards for disenrollment and length of stay. However, the progress was negated by a major information technology (IT) change recommended by the Arizona Health Care Cost Containment System. Specifically, in October 2010, the IT change, which streamlined the enrollment process, required the Division to change its processes for calculating active members, and therefore its process for obtaining enrollment, disenrollment, and length of stay data. The Division reported that it now plans to address this recommendation by acquiring business intelligence software to capture and analyze the disenrollment and length of stay data it needs to establish baseline standards and goals.

2.4 To better manage costs while maintaining quality of care, the Division should:

a. Conduct reviews of high- and low-cost substance abuse treatment cases to identify consumers who could be treated more effectively or as effectively but at a lower cost; and

Not implemented
According to the Division, the business intelligence software it plans to acquire (see explanation for 2.3c) will be used to assist staff in identifying high- and low-cost cases.

b. Work with RBHAs to identify consumers with higher-than-usual costs for specific services to determine if alternative methods or treatments would provide the same quality of care at a reduced cost.

Not yet applicable
According to the Division, once a baseline value for services has been established, staff will review consumer data to identify high service users and work with the RBHAs to determine if alternative methods or treatments would provide the same quality of care at a reduced cost. However, this recommendation depends on implementing recommendation 2.4a because the business intelligence software platform will be used to establish baseline values.

2.5 To determine if services are necessary to improve outcomes and help identify other effective but less costly treatments, the Division should:

a. Conduct cost-focused reviews of specific types of substance abuse treatments or services;

Implementation in process
According to the Division, it plans to include cost-focused reviews of specific types of treatments or services in its contracted Independent Case Review to be completed by September 2011 as required by the Substance Abuse Prevention and Treatment Block Grant.

b. Compare variation in treatment types and consumer outcomes among RBHAs to determine if adjustments are necessary; and

Not yet applicable
According to the Division, this comparison will take place after the successful completion of the Independent Case Review discussed in 2.5a.

c. Continue working with RBHAs to transition to alternative treatments, such as buprenorphine.

Implemented at 24 months

Recommendation	Status/Additional Explanation
2.6 Together with related recommendations in Finding 1 (see pages 9 through 29), the Division should:	
a. Better define the role of case managers so that they provide the most appropriate and cost-effective care at each stage of the consumer's treatment; and	**Implementation in process** The Division has taken steps to better define the role of case managers. For example, it has adopted the American Society of Addiction Medicine's Placement Criteria for placement assessment and treatment planning, which will help define the role of case managers, and has drafted a substance abuse protocol for adults, which will also help define the case managers' role.
b. Consider requiring RBHAs to ensure that consumers with severe or complex cases are assigned a case manager for their complete course of treatment.	**Implemented at 24 months**
2.7 The Division should continue its efforts to fill key vacant positions in its data systems and analysis and quality management functions, and should perform follow-up work to ensure that the restructuring it initiated in April 2009 has resulted in improved oversight.	**Implementation in process** The Division reported that it will continue to work with the Arizona Department of Administration toward filling mission critical positions. In addition, the Division reported that it has obtained approval to fill an additional two positions in its data unit and that the restructuring it initiated in April 2009 has resulted in improved oversight by allowing the data unit to focus its efforts on ensuring that assessments, encounters, and demographic data is submitted accurately and timely.