

GAO

Report to the Chairman, Committee on
Health, Education, Labor, and Pensions,
U.S. Senate

June 2004

SUBSTANCE ABUSE
AND MENTAL
HEALTH SERVICES
ADMINISTRATION

Planning for Program
Changes and Future
Workforce Needs Is
Incomplete



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Highlights of [GAO-04-683](#), a report to the Chairman, Committee on Health, Education, Labor, and Pensions, U.S. Senate

Why GAO Did This Study

The Substance Abuse and Mental Health Services Administration (SAMHSA) is the lead federal agency responsible for improving the quality and availability of prevention and treatment services for substance abuse and mental illness. The upcoming reauthorization review of SAMHSA will enable the Congress to examine the agency's management of its grant programs and plans for converting its block grants to performance partnership grants, which will hold states more accountable for results. GAO was asked to provide the Congress with information about SAMHSA's (1) strategic planning efforts, (2) efforts to manage its workforce, and (3) partnerships with state and community-based grantees.

What GAO Recommends

We are recommending that the Administrator of SAMHSA: (1) develop a detailed succession strategy, (2) ensure that the agency's workforce has the appropriate expertise to implement the performance partnership grants, (3) develop a procedure to allow applicants for discretionary grants to correct administrative errors in applications and resubmit them, and (4) expedite completion of the plan for the Congress providing information on the performance partnership grants. SAMHSA said that each recommendation addresses an area that the agency has identified for further action or improvement.

www.gao.gov/cgi-bin/getrpt?GAO-04-683.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Leslie Aronovitz at (312) 220-7600 or aronovitzl@gao.gov.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

Planning for Program Changes and Future Workforce Needs Is Incomplete

What GAO Found

SAMHSA has not completed key planning efforts to ensure that it can effectively manage its programs. The agency has operated without a strategic plan since October 2002, and although SAMHSA officials are drafting a plan, they do not know when it will be completed. SAMHSA developed long-term goals and a set of priority issues that provide some guidance for the agency's activities, but they are not a substitute for a strategic plan. In particular, they do not identify the approaches and resources needed to achieve the agency's long-term goals and the desired results against which the agency's programs can be measured.

SAMHSA also has not fully developed strategies to ensure it has the appropriate staff to manage the agency's programs. Although the proportion of SAMHSA's staff eligible to retire is increasing, the agency has not developed a detailed succession strategy to prepare for the loss of essential expertise and to ensure that the agency continues to have the ability to fill key positions. In addition, the proposed performance partnership grants will change the way SAMHSA administers its largest grant programs, but the agency has not completed hiring and training strategies to ensure that its workforce will have the skills needed to administer the grants. Finally, SAMHSA's system for evaluating staff performance does not distinguish between acceptable and outstanding performance, and the agency does not assess staff performance in relation to specific competencies—practices that would help reinforce individual accountability for results.

SAMHSA has opportunities to improve its partnerships with state and community-based grantees. For example, grantees objected to SAMHSA's practice of rejecting discretionary grant applications that do not comply with administrative requirements—such as those that exceed page limitations—without reviewing them for merit. Rejecting applications solely on administrative grounds potentially prevents SAMHSA from supporting the most effective programs. SAMHSA's recent changes to the review process should reduce such rejections, but have not eliminated them. State officials are also concerned that SAMHSA has not finalized the performance data that states would be required to report under the proposed performance partnership grants. To comply, states will need to change their data systems, but they cannot complete these changes until SAMHSA finalizes the requirements. The Congress directed SAMHSA to submit a plan by October 2002 describing the final data reporting requirements and any legislative changes needed to implement the grants, but SAMHSA has not yet completed the plan. This delay could prevent the agency from meeting its current timetable for implementing the mental health and substance abuse performance partnership grants in fiscal years 2005 and 2006, respectively.

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Abbreviations

HHS	Department of Health and Human Services
SAMHSA	Substance Abuse and Mental Health Services Administration

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United States General Accounting Office
Washington, DC 20548

June 4, 2004

The Honorable Judd Gregg
Chairman
Committee on Health, Education, Labor, and Pensions
United States Senate

Dear Mr. Chairman:

Mental illness and substance abuse are major national problems. It is estimated that more than 44 million Americans have a mental disorder,¹ 22 million Americans have a substance abuse problem,² and 7 to 10 million Americans have co-occurring mental health and substance abuse disorders.³ Substance abuse and mental health disorders are treatable, and services can help relieve people's symptoms and reduce the likelihood of their developing future problems.

The Department of Health and Human Services' (HHS) Substance Abuse and Mental Health Services Administration (SAMHSA) is the lead federal agency responsible for improving the quality and availability of prevention and treatment services for substance abuse and mental illness. In fiscal year 2003, SAMHSA managed a budget of \$3.1 billion; its staff of about 500 full-time-equivalent employees was one of the smallest among HHS agencies. SAMHSA's budget primarily supported grants to states and local agencies to provide substance abuse and mental health services.⁴ The agency largely depends on the work of these grantees to carry out its mission—to help people recover from substance abuse and mental illness and develop the resilience to cope with problems that can lead to them.

¹U.S. Department of Health and Human Services, *Mental Health: A Report of the Surgeon General* (Rockville, Md.: 1999).

²Substance Abuse and Mental Health Services Administration, *Results from the 2002 National Survey on Drug Use and Health: National Findings* (Rockville, Md.: 2003).

³Substance Abuse and Mental Health Services Administration, *Report to Congress on the Prevention and Treatment of Co-Occurring Substance Abuse Disorders and Mental Disorders* (Rockville, Md.: 2002).

⁴Unless otherwise noted, in this report, "states" refers to the 50 states, the territories, and the District of Columbia.

SAMHSA also carries out its mission through collaborations with other federal agencies and departments.

The upcoming legislative reauthorization of SAMHSA provides the Congress with an opportunity to review how the agency manages its grant programs. Furthermore, examining SAMHSA's relationships with state and local partners is particularly important as SAMHSA and the Congress prepare to change the way the agency administers its largest grant programs, the substance abuse and mental health block grants.⁵ In response to a requirement in the Children's Health Act of 2000,⁶ SAMHSA is developing plans to transform its current block grants. The new grants—performance partnership grants—would give states greater flexibility in how they spend funds, while holding them more accountable for achieving specific results. In preparation for SAMHSA's legislative reauthorization, you asked us to provide information on SAMHSA's (1) strategic planning efforts, (2) efforts to manage its workforce, (3) collaborations with federal agencies and departments, and (4) partnerships with state and community-based grantees.

To conduct our work, we analyzed pertinent agency documents and interviewed officials from SAMHSA. We also interviewed officials from selected federal agencies and departments that are engaged in collaborative efforts with SAMHSA. For information on SAMHSA's partnerships with state grantees, we interviewed officials from the mental health or substance abuse agency in 10 states—California, Colorado, Connecticut, Iowa, Massachusetts, Mississippi, Montana, South Dakota, Texas, and Virginia. We selected these states on the basis of variation in their geographic location, the size of their fiscal year 2003 mental health or substance abuse block grant award, the number of other grant awards they received in fiscal year 2002, and their involvement in SAMHSA initiatives to improve states' ability to report mental health and substance abuse data. We also interviewed representatives of selected community-based organizations that received grants from SAMHSA. We conducted our work from July 2003 through May 2004 in accordance with generally accepted government auditing standards. (For additional information on our methodology, see app. I.)

⁵SAMHSA awards block grants to all states and territories and the District of Columbia; awards are allocated according to statutory formulas that take into account specific characteristics of each state, such as population size and the cost of providing services.

⁶Pub. L. No. 106-310, § 3403, 114 Stat. 1101, 1219 (codified at 42 U.S.C. § 300x-59 (2000)).

Results in Brief

SAMHSA has not completed key planning efforts to ensure that it can effectively manage its programs. The agency has operated without a strategic plan since October 2002, and although SAMHSA officials are drafting a plan, they do not know when it will be completed. As part of its strategic planning process, SAMHSA developed three long-term goals—promoting accountability, enhancing service capacity, and improving the effectiveness of substance abuse and mental health services. SAMHSA also developed a set of 11 priority issues—such as co-occurring mental health and substance abuse disorders—to guide the agency’s activities. While the goals and priority issues provide some guidance to the agency, they are not a substitute for a strategic plan. In particular, they do not identify the approaches needed to achieve the agency’s long-term goals and the desired results against which the agency’s programs can be measured.

SAMHSA also has not fully developed strategies to ensure it has the appropriate staff to manage its programs. SAMHSA is implementing a strategic workforce plan that calls for the development of a skilled workforce and efficient work processes, but the agency has not developed a detailed succession strategy to prepare for the loss of essential expertise and to ensure that the agency continues to have the ability to fill key positions. The proportion of SAMHSA’s staff eligible to retire is increasing—it is expected to be 25 percent in fiscal year 2005—and future retirements and attrition could leave the agency without leadership continuity and the appropriate workforce to effectively carry out its programs. In addition, the agency has not fully developed hiring and training plans to ensure that its workforce will have the necessary expertise to administer the proposed performance partnership grants. Finally, SAMHSA recently implemented a performance management system that is intended to hold staff accountable for results by linking staff expectations with the agency’s long-term goals. However, SAMHSA’s system does not distinguish between acceptable and outstanding performance and the agency does not assess staff performance in relation to specific competencies—practices that would help reinforce individual accountability.

SAMHSA has taken steps to improve its collaborations with other federal agencies and departments. To jointly fund grant programs with its federal partners, SAMHSA frequently uses interagency agreements, which allow funds to be transferred between agencies. While interagency agreements can streamline the grantmaking process by enabling a single agency to administer a jointly funded grant program, SAMHSA’s process for approving the agreements has been lengthy and has delayed the awarding of grants. To improve this process, SAMHSA recently implemented new

procedures for reviewing and approving interagency agreements. It is too early to know how SAMHSA's new policies will affect the efficiency of its approval process. SAMHSA is also taking steps to better coordinate with its federal partners to provide states and community-based organizations with information on effective mental health and substance abuse practices. For example, SAMHSA recently initiated the Science to Service partnership to better integrate the National Institutes of Health's research on effective practices with the services funded by SAMHSA.

SAMHSA also has opportunities to improve its partnerships with state and community-based grantees. For example, grantees objected to SAMHSA's practice of rejecting discretionary grant applications that do not comply with administrative requirements—such as applications that exceed the specified page limitation—without reviewing them for merit. These grants are awarded on a competitive basis to a limited number of eligible applicants, and rejecting applications solely on administrative grounds potentially prevents SAMHSA from supporting the most effective programs. SAMHSA recently changed its review process, which agency officials believe will reduce the number of such rejections. However, some applications continue to be rejected for administrative reasons. In addition, state officials are concerned that SAMHSA has not finalized the performance data that states would report under the proposed performance partnership grants. To comply with the proposed grant requirements, states will need to change their data systems, but they cannot complete these changes until SAMHSA finalizes the requirements. In 2000, the Congress directed SAMHSA to submit a plan by October 2002 describing any legislative changes needed to transform the block grants into performance partnership grants and the final data reporting requirements. SAMHSA has not yet completed the plan, and this delay could prevent the agency from meeting its current timetable for implementing the mental health and substance abuse grants—in fiscal years 2005 and 2006, respectively.

We are recommending that the Administrator of SAMHSA (1) develop a detailed succession strategy, (2) ensure that the agency's workforce has the appropriate expertise to implement the performance partnership grants, (3) develop a procedure to allow applicants for discretionary grants to correct administrative errors in applications and resubmit them, and (4) expedite completion of the plan for the Congress providing information on the performance partnership grants.

In commenting on a draft of this report, SAMHSA said that overall, it generally agrees with the report’s findings and that each recommendation addresses an area that the agency has identified for further action or improvement.

Background

In October 1992, the Congress established SAMHSA to strengthen the nation’s health care delivery system for the prevention and treatment of substance abuse and mental illnesses.⁷ SAMHSA has three centers that carry out its programmatic activities: the Center for Mental Health Services, the Center for Substance Abuse Prevention, and the Center for Substance Abuse Treatment. (See table 1 for a description of each center’s purpose.) The centers receive support from SAMHSA’s Office of the Administrator; Office of Program Services; Office of Policy, Planning, and Budget; and Office of Applied Studies. The Office of Program Services oversees the grant review process and provides centralized administrative services for the agency; the Office of Policy, Planning, and Budget develops the agency’s policies, manages the agency’s budget formulation and execution, and manages agencywide strategic and program planning activities; and the Office of Applied Studies gathers, analyzes, and disseminates data on substance abuse practices in the United States, which includes administering the annual National Survey on Drug Use and Health—a primary source of information on the prevalence, patterns, and consequences of drug and alcohol use and abuse in the country.⁸

Table 1: Purpose Statements of SAMHSA’s Centers

Center	Purpose
Center for Mental Health Services	To improve the availability and accessibility of high-quality community-based services for people with, or at risk for, mental illnesses.
Center for Substance Abuse Prevention	To bring effective substance abuse prevention to every community, nationwide.
Center for Substance Abuse Treatment	To promote the availability and quality of community-based substance abuse treatment services for individuals and families who need them.

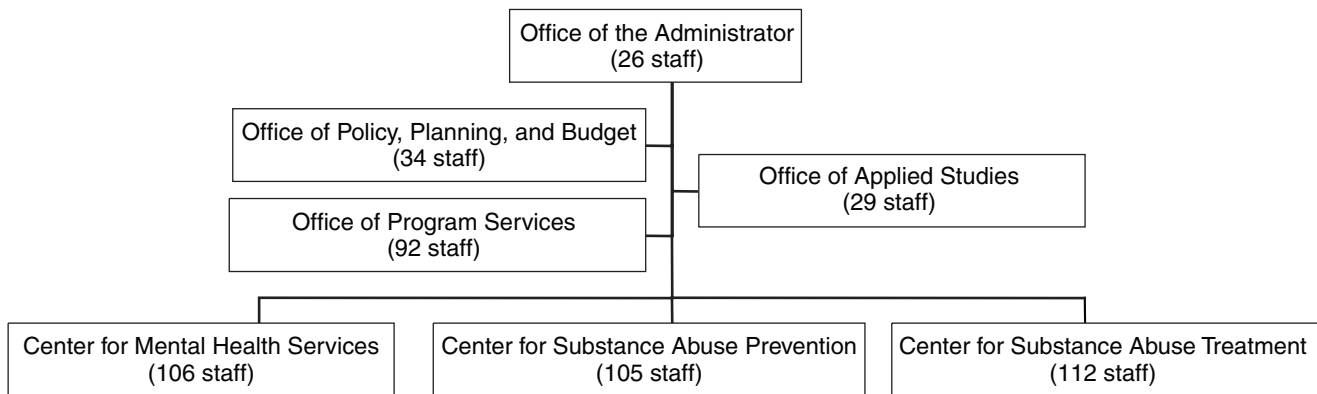
Source: GAO analysis of SAMHSA documents.

⁷Pub. L. No. 102-321, 106 Stat. 324 (codified at 42 U.S.C. § 290aa *et seq.* (2000)).

⁸The National Survey on Drug Use and Health was formerly called the National Household Survey on Drug Abuse.

In fiscal year 2003, SAMHSA's staff totaled 504 full-time-equivalent employees, a decrease from 563 in fiscal year 1999. Thirteen of the employees were in the Senior Executive Service, and the average grade of SAMHSA's general schedule workforce was 12.5—up from 11.7 in fiscal year 1999. In addition, 25 of the employees were members of the U.S. Public Health Service Commissioned Corps.⁹ SAMHSA's program staff are almost evenly divided among its three centers (see fig. 1), and all are located in the Washington, D.C., metropolitan area.

Figure 1: SAMHSA Organization Chart and Staffing Levels, Fiscal Year 2003



Source: GAO analysis of SAMHSA documents.

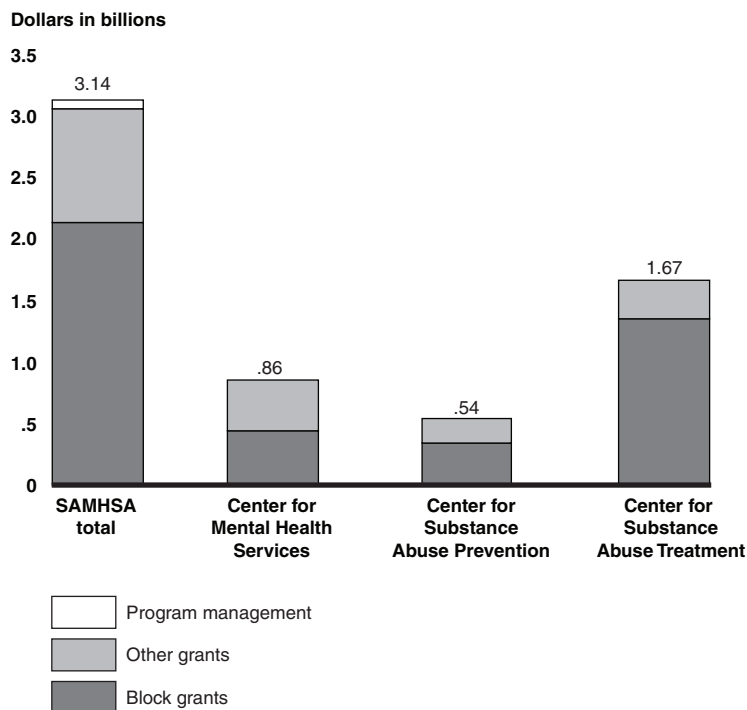
Note: "Staff" refers to full-time-equivalent employees.

SAMHSA's budget increased from about \$2 billion in fiscal year 1992 to about \$3.1 billion in fiscal year 2003. SAMHSA uses most of its budget to fund grant programs that are managed by its three centers. (See fig. 2.) In fiscal year 2003, 68 percent of SAMHSA's budget funded the Substance Abuse Prevention and Treatment Block Grant (\$1.7 billion) and the Community Mental Health Services Block Grant (\$437 million). The remaining portion of SAMHSA's budget primarily funded other grants;

⁹The U.S. Public Health Service Commissioned Corps is one of the seven Uniformed Services of the United States. The Commissioned Corps provides a variety of services to help promote the health of the nation, such as delivering health care services to medically underserved populations and providing health expertise during national emergencies.

\$74 million (2.4 percent) of its fiscal year 2003 budget supported program management.¹⁰

Figure 2: SAMHSA’s Budget Devoted to Block Grants and Other Activities, Fiscal Year 2003



Source: GAO analysis of SAMHSA documents.

Note: In addition to these funds, SAMHSA received \$74.2 million from HHS to help pay for its national surveys and its data, technical assistance, and evaluation activities.

Administration of SAMHSA’s Block and Discretionary Grants

SAMHSA’s major activity is to use its grant programs to help states and other public and private organizations provide substance abuse and mental health services. For example, the substance abuse block grant program gives all states a funding source for planning, carrying out, and evaluating substance abuse services. States use their substance abuse

¹⁰SAMHSA’s program management budget covers the salaries of 486 of the agency’s 504 full-time-equivalent employees. The salaries of the remaining 48 employees are funded by portions of the substance abuse and mental health block grants retained by SAMHSA for administrative purposes.

block grants to fund more than 10,500 community-based organizations. Similarly, the mental health block grant program supports a broad spectrum of community mental health services for adults with serious mental illness and children with serious emotional disorders.¹¹

In December 2002, SAMHSA released for public comment its initial proposal for how it will transform the substance abuse and mental health block grants into performance partnership grants. In administering the block grants, the agency currently holds states accountable for complying with administrative and financial requirements, such as spending a specified percentage of funds on particular services or populations. According to SAMHSA's proposal, the new grants will give states more flexibility to meet the needs of their population by removing certain spending requirements. At the same time, the grants will hold states accountable for achieving specific goals related to the availability and effectiveness of mental health and substance abuse services. For example, SAMHSA has proposed that it would waive the current requirement that a state use a certain percentage of its substance abuse block grant funds for HIV services if that state can show a reduction of HIV transmissions among the population with a substance abuse problem.¹² The Children's Health Act of 2000 required SAMHSA to submit a plan to the Congress by October 2002 describing the flexibility the performance partnership grants would give the states, the performance measures that SAMHSA would use to hold states accountable, the data that SAMHSA would collect from states, definitions of the data elements, obstacles to implementing the grants and ways to resolve them, the resources needed to implement the grants, and any federal legislative changes that would be necessary.¹³

¹¹Five percent of the substance abuse and mental health block grants is retained at SAMHSA; in fiscal year 2003, this amounted to almost \$110 million, of which SAMHSA used 47 percent for the collection of national substance abuse data, 39 percent for technical assistance activities, 12 percent for state data systems, and 2 percent for program evaluation.

¹²States with an AIDS case rate of greater than 10 per 100,000 population are currently required to spend 2 percent to 5 percent of their substance abuse block grant allocation on HIV/AIDS-related substance abuse programs. The specific percentage is related to the change in the state's block grant allocation since 1990, and, in practice, all states affected by the requirement are now required to spend 5 percent. 42 U.S.C. § 300x-24(b)(2), 4(A) and (B) (2000).

¹³42 U.S.C. § 300x-59 (2000).

In addition to the block grants that SAMHSA awards to all states, the agency awards grants on a competitive basis to a limited number of eligible applicants. These discretionary grants help public and private organizations develop, implement, and evaluate substance abuse and mental health services. In fiscal year 2003, the agency funded 73 discretionary grant programs, the largest of which was the \$98.1 million Children's Mental Health Services Program. This program helps grantees integrate and manage various social and medical services needed by children and adolescents with serious emotional disorders.

Discretionary grant applications submitted to SAMHSA go through several stages of review. When SAMHSA initially receives grant applications, it screens them for adherence to specific formatting and other administrative requirements. Applications that are rejected—or screened out—at this stage receive no further review. Applications that move on are reviewed on the basis of their scientific and technical merit by an initial review group¹⁴ and then by one of SAMHSA's national advisory councils.¹⁵ The councils, which ensure that the applications support the mission and priorities defined by SAMHSA or the specific center, must concur with the scores given to the applications by the initial review group. On the basis of the ranking of these scores given by the peer reviewers and on other criteria posted in the grant announcement, such as geographic location, SAMHSA program staff decide which grant applications receive funding. Center directors and grants management officers must approve award decisions that differ from the ranking of priority scores, and SAMHSA's administrator approves all final award decisions.

SAMHSA's oversight of its block and discretionary grants consists primarily of reviews of independent audit reports, on-site reviews, and reviews of grant applications. SAMHSA's Division of Grants Management¹⁶ provides grant oversight, which includes reviewing the results of grantees'

¹⁴The initial review group consists of mental health and substance abuse experts, primarily from outside the federal government, and people who have received substance abuse or mental health services.

¹⁵SAMHSA and the individual centers each have an advisory council composed of professionals from relevant scientific and health fields and individuals representing the interests of the public. The councils were established by the Congress to advise, consult with, and make recommendations to SAMHSA on substance abuse and mental health issues. The national advisory councils do not review applications for grants that are required by the Congress or are less than \$100,000.

¹⁶The Division of Grants Management is within SAMHSA's Office of Program Services.

annual financial audits that are required by the Single Audit Act.¹⁷ In general, these audits are designed to determine whether a grantee's financial statements are fairly presented and grant funds are managed in accordance with applicable laws and program requirements. Furthermore, SAMHSA is statutorily required to conduct on-site reviews to monitor block grant expenditures in at least 10 states each fiscal year.¹⁸ The reviews examine states' fiscal monitoring of service providers and compliance with block grant requirements, such as requirements to maintain a certain level of state expenditures for drug abuse treatment and community mental health services—referred to as maintenance of effort.¹⁹ In addition, SAMHSA project officers—grantees' main point of contact with SAMHSA—monitor states' compliance with block grant requirements through their review of annual block grant applications. For example, in the substance abuse block grant application, states report how they spent funds made available during a previous fiscal year and how they intend to obligate funds being made available in the current fiscal year; project officers review this information to determine if states have complied with statutory requirements. For discretionary grants, project officers monitor grantees' use of funds through several mechanisms, including quarterly reports, site visits, conference calls, and regular meetings. The purpose of monitoring both block and discretionary grants is to ensure that grantees achieve program goals and receive any technical assistance needed to improve their delivery of substance abuse and mental health services.

Selected Federal Agencies and Departments That Collaborate with SAMHSA

SAMHSA has partnerships with every HHS agency and 12 federal departments and independent agencies that fund substance abuse and mental health programs and activities. For example, within HHS, the Centers for Disease Control and Prevention and the Health Resources and Services Administration have responsibility for improving the accessibility and delivery of mental health and substance abuse services, and the

¹⁷Under the Single Audit Act, nonfederal entities that expend \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) are required to obtain an independent audit of all federal awards. The audit includes a review of internal controls, compliance with laws and regulations, and costs charged to federal programs. 31 U.S.C. § 7502(a)(1)(A), (3), and (e)(1) – (4) (2000).

¹⁸42 U.S.C. § 300x-55(g)(1) (2000).

¹⁹The Public Health Service Act requires states to maintain state expenditures for community mental health services and drug abuse treatment at a level that is not less than the average level of state expenditures for the previous 2 years. 42 U.S.C. §§ 300x-4(b)(1) and 300x-30(a) (2000).

National Institutes of Health funds research on numerous topics related to substance abuse and mental health.²⁰ The Departments of Education, Housing and Urban Development, Justice, and Veterans Affairs fund substance abuse and mental health initiatives to help specific populations, such as children and homeless people.²¹ In addition, the White House Office of National Drug Control Policy is responsible for overseeing and coordinating federal, state, and local drug control activities. Specifically, the office gives federal agencies guidance for preparing their annual budgets for activities related to reducing illicit drug use. It also develops substance abuse profiles of states and large cities, which contain statistics related to drug use and information on federal substance abuse prevention and treatment grants awarded to that state or city.

SAMHSA's Strategic Planning Efforts Are Incomplete

SAMHSA has operated without a strategic plan since October 2002.²² Although agency officials are in the process of drafting a plan that covers fiscal years 2004 through 2009 and expect to have it ready for public comment in the fall of 2004, they do not know when they will issue a final strategic plan.

As part of its strategic planning process, which began in fiscal year 2002, SAMHSA developed three long-term goals for the agency—promoting accountability, enhancing service capacity,²³ and improving the effectiveness of substance abuse and mental health services. SAMHSA's management has also identified 11 priority issues to guide the agency's

²⁰Prior to the 1992 legislation that created SAMHSA, HHS's Alcohol, Drug Abuse, and Mental Health Administration was responsible for major federal substance abuse and mental health activities related to both services and research. In the 1992 legislation, the Congress transferred research responsibilities to the National Institutes of Health, to be carried out by the National Institute on Alcohol Abuse and Alcoholism, National Institute on Drug Abuse, and National Institute of Mental Health.

²¹SAMHSA also has partnerships with the Department of Defense, Department of Homeland Security, Department of Labor, Department of Transportation, Nuclear Regulatory Commission, Small Business Administration, Social Security Administration, and Corporation for National and Community Service.

²²SAMHSA's previous strategic plan covered the period from May 1996 through fiscal year 2002.

²³Promoting accountability involves measuring and reporting program performance; enhancing capacity involves increasing the availability of substance abuse and mental health services.

activities and resource allocation²⁴ and 10 priority principles that agency officials are to consider when they develop policies and programs related to these issues. (See table 2 for a list of SAMHSA’s priority issues and priority principles.) For example, when SAMHSA develops grant programs to increase substance abuse treatment capacity—a priority issue—staff are to consider the priority principle of how the programs can be implemented in rural settings. To ensure that the priority issues play a central role in the work of its three centers, SAMHSA established work groups for all the priority issues that include representation from at least two centers. The work groups are to make recommendations to SAMHSA’s leadership about funding for specific programs and to develop cross-center initiatives.

Table 2: SAMHSA’s Priority Issues and Priority Principles

Issues	Principles
Co-occurring mental health and substance abuse disorders	Science to services/evidence-based practices
Substance abuse treatment capacity	Data for performance measurement and management
Seclusion and restraint	Collaboration with public and private partners
Strategic prevention framework	Recovery/reducing stigma and barriers to services
Children and families	Cultural competency/eliminating disparities
Mental health system transformation	Community and faith-based approaches
Disaster readiness and response	Trauma and violence
Homelessness	Financing strategies and cost effectiveness
Aging	Rural and other specific settings
HIV/AIDS and hepatitis	Workforce development
Criminal justice	

Source: GAO analysis of SAMHSA documents.

Although SAMHSA officials consider the agency’s set of priority issues and priority principles a valuable planning and management tool, it lacks

²⁴SAMHSA officials told us that the priorities are evolving, and the agency is not precluded from focusing on other emerging areas.

important elements that a strategic plan would provide.²⁵ For example, SAMHSA's priorities do not identify the approaches and resources needed to achieve the long-term goals; the results expected from the agency's grant programs and a timetable for achieving those results; and an assessment of key external factors, such as the actions of other federal agencies, that could affect SAMHSA's ability to achieve its goals. Without a strategic plan that includes the expected results against which the agency's efforts can be measured, it is unclear how the agency or the Congress will be able to assess the agency's progress toward achieving its long-term goals or the adequacy and appropriateness of SAMHSA's grant programs. Such assessments would help SAMHSA determine whether it needs to eliminate, create, or restructure any grant programs or activities. The priority issue work groups are developing multiyear action plans that could support SAMHSA's strategic planning efforts, because the plans are expected to include measurable performance goals, action steps to meet those goals, and a description of external factors that could affect program results. SAMHSA officials expect to approve the action plans by June 30, 2004, and include them as a component of the draft strategic plan.

SAMHSA's Efforts to Manage Its Workforce Lack Important Elements

SAMHSA's strategic workforce planning efforts lack key strategies to ensure appropriate staff will be available to manage the agency's programs. Specifically, SAMHSA has not developed a detailed succession strategy to prepare for the loss of essential expertise and to ensure that the agency can continue to fill key positions. In addition, the agency has not fully developed hiring and training strategies to ensure that its project officers can administer the proposed performance partnership grants. SAMHSA has, however, taken steps to improve project officers' expertise for managing the current block grants and to increase staff effectiveness by improving the efficiency of its work processes. While SAMHSA recently implemented a performance management system that links staff

²⁵The Government Performance and Results Act requires federal agencies' strategic plans to include six components: (1) a comprehensive agency mission statement; (2) agencywide long-term goals and objectives for all major functions and operations; (3) approaches (or strategies) to achieve the goals and objectives and the various resources needed; (4) the relationship between the long-term goals/objectives and the annual performance goals; (5) an identification of key factors, external to the agency and beyond its control, that could significantly affect achievement of the strategic goals; and (6) a description of how program evaluations were used to establish or revise strategic goals and a schedule for future program evaluations. 5 U.S.C. § 306(a) (2000). HHS is required to comply with the Government Performance and Results Act, and it is good practice for its component agencies to follow the same guidelines in developing their strategic plans.

expectations with the agency's long-term goals, other aspects of the system do not reinforce individual accountability.

SAMHSA Has Not Fully Planned for Future Workforce Needs, but Has Taken Steps to Improve Staff Effectiveness

SAMHSA's strategic workforce planning lacks key elements to ensure that the agency has staff with the appropriate expertise to manage its programs. The goal of strategic workforce planning is to develop long-term strategies for acquiring, developing, and retaining staff needed to achieve an organization's mission and programmatic goals. SAMHSA is implementing a strategic workforce plan—developed for fiscal years 2001 through 2005—that identifies the need to strategically and systematically recruit, hire, develop, and retain a workforce with the capacity and knowledge to achieve the agency's mission. SAMHSA developed the plan to improve organizational effectiveness and make the agency an “employer of choice,” and the plan calls for development of an adequately skilled workforce and efficient work processes. (See app. II for additional information on SAMHSA's strategic workforce plan.) The plan specifically outlines the need to engage in succession planning to prepare for the loss of essential expertise and to implement strategies to obtain and develop the competencies that the agency needs.²⁶

SAMHSA did not include a succession strategy in its strategic workforce plan, and the agency has not yet developed such a strategy. As we have previously reported, succession planning is important for strengthening an agency's workforce by ensuring an ongoing supply of successors for leadership and other key positions.²⁷ SAMHSA officials told us the agency has begun to engage in succession planning. They also noted that recent retirement and attrition rates have been moderate—about 5 percent and 10 percent, respectively, in fiscal year 2003—and that the agency's small size allows them to identify those likely to retire and to fill key vacancies as they occur. However, the proportion of SAMHSA's workforce eligible to

²⁶In addition to developing strategies to address long-term staffing needs and determine the critical skills and competencies needed to carry out programs, other important principles of strategic workforce planning are building the capacity to implement the strategies; monitoring and evaluating the agency's progress toward achieving its workforce goals; and involving top management, employees, and other stakeholders in developing, communicating, and implementing the strategic workforce plan. For additional information on these principles, see U.S. General Accounting Office, *Human Capital: Key Principles for Effective Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

²⁷See U.S. General Accounting Office, *Human Capital: Insights for U.S. Agencies from Other Countries' Succession Planning and Management Initiatives*, GAO-03-914 (Washington, D.C.: Sept. 15, 2003).

retire is expected to rise from 19 percent in fiscal year 2003 to 25 percent in fiscal year 2005, and careful planning could help SAMHSA prepare for the loss of essential expertise.

Another shortcoming in SAMHSA's strategic workforce planning is that the agency has not fully developed hiring and training strategies to ensure that its project officers will have the appropriate expertise to manage the proposed performance partnership grants. The changes in the block grant will alter the relationship between SAMHSA and the states, requiring project officers to negotiate specific performance goals and monitor states' progress towards these goals. SAMHSA's block grant reengineering team²⁸ found that, to carry out these responsibilities, project officers will need training in performance management; elementary statistics; and negotiation, advocacy, and mediation. SAMHSA expected to have a training plan by late May 2004, but has not established a firm date by which the training will be provided.²⁹ As SAMHSA develops the training plan, it will be important for the agency to consider how it will implement and evaluate the training, including how it will assess the effect of the training on staff's development of needed skills and competencies.³⁰

In addition, the reengineering team recommended that the agency use individualized staff development plans for project officers to ensure that they acquire necessary skills. SAMHSA expects to have the individual development plans in place by the end of fiscal year 2004. The team also recommended that the agency develop new job descriptions to recruit new staff. SAMHSA has developed job descriptions that identify the responsibilities all project officers will have to meet and is using those descriptions in its recruitment efforts.

²⁸To help create effective work processes, SAMHSA's strategic workforce plan called for the development of a team to streamline the process for administering the block grants. As a result, SAMHSA established a block grant reengineering team to examine the processes, policies, and procedures that govern the administration of the Substance Abuse Prevention and Treatment Block Grant. The team presented its final report to SAMHSA's administrator on September 26, 2003.

²⁹SAMHSA has indicated that the training will be either provided or arranged for by the fall of 2005.

³⁰For additional information on key components of strategic workforce training and development efforts, see U.S. General Accounting Office, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: March 2004).

SAMHSA has initiated efforts to improve the ability of project officers to assist grantees with the current block grants. For example, SAMHSA officials told us that the agency has made an effort to hire more project officers with experience working in state mental health and substance abuse systems. The agency is also expanding project officers' training on administrative policies and procedures and is planning to add a discussion of block grant procedures to its on-line policy manual. These efforts should help respond to the block grant reengineering team's finding that project officers require additional training in substance abuse prevention and treatment and block grant program requirements. They should also help address the concerns of state officials who told us that project officers for the block grants have not always had sufficient background in mental health or substance abuse services or have provided confusing or incorrect information on grant requirements. For example, one state received conflicting information from its project officer about the percentage of its substance abuse block grant that it was required to spend for HIV/AIDS services. Similarly, according to another state official, a project officer provided unclear guidance on how to submit a request to waive the mental health block grant's maintenance of effort requirement, which resulted in the state having to resubmit the request.

To meet the goal in its workforce plan of increasing staff effectiveness, SAMHSA is taking steps to improve the agency's work processes. For example, agency officials expect to reduce the amount of time and effort that staff devote to preparing grant announcements by issuing 4 standard grant announcements for its discretionary grant programs,³¹ instead of the 30 to 40 issued annually in previous years. SAMHSA officials estimate that the 4 standard announcements will encompass 75 to 80 percent of the agency's discretionary grants and believe they will improve the efficiency of the grant award process. In addition, SAMHSA officials told us that while most new award decisions have been made at the end of the fiscal

³¹The announcements describe the general design of the four types of grants and provide application instructions. The four types of grants are: (1) services grants to implement evidence-based approaches, (2) infrastructure grants to support activities such as coordinating funding streams and developing performance measures, (3) best practices planning and implementation grants to help communities test and evaluate best practices for providing services, and (4) service-to-science grants to document and evaluate innovative practices.

year, they expect that this consolidation will allow the agency to issue some awards earlier in the year.³²

SAMHSA's Performance Management System Does Not Sufficiently Recognize Differences in Employee Achievement

SAMHSA has adopted a new performance management system for its employees³³ that is intended to hold staff accountable for results by aligning individual performance expectations with the agency's goals—a practice that we have identified as key for effective performance management.³⁴ SAMHSA is aligning the performance expectations of its administrator and senior executives with the agency's long-term goals and priority issues and then linking those expectations with expectations for staff at lower levels. As a result, SAMHSA's senior executives' performance expectations are linked directly to the administrator's objectives, and all other employees have at least one performance objective that can be linked to the administrator's objectives. For example, objectives related to implementing the four new discretionary grant announcements are included in the 2003 performance plans of the appropriate center directors, branch chiefs, and project officers.

In contrast, other aspects of SAMHSA's performance management system do not reinforce individual accountability for results. SAMHSA's performance management system does not make meaningful distinctions between acceptable and outstanding performance—an important practice in a results-oriented performance management system.³⁵ Instead, staff ratings are limited to two categories, "meets or exceeds expectations" or

³²In fiscal year 2003, 76 percent of SAMHSA's new grants were awarded in the fourth quarter, with 65 percent awarded in September, the last month of the fiscal year. A SAMHSA official told us that grants receiving second and third year funding are usually made earlier in the fiscal year.

³³Performance management is a system for setting expectations for employees and evaluating their performance.

³⁴Other key practices are (1) connecting performance expectations to crosscutting goals; (2) providing and routinely using performance information to track organizational goals; (3) requiring follow-up actions, based on performance information, to address organizational priorities; (4) using competencies to provide a fuller assessment of performance; (5) linking pay to individual and organizational performance; (6) making meaningful distinctions in performance; (7) involving employees and stakeholders to gain ownership of performance management systems; and (8) maintaining continuity during transitions. See U.S. General Accounting Office, *Results Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success*, GAO-03-488 (Washington, D.C.: Mar. 14, 2003).

³⁵See GAO-03-488.

“unacceptable.” SAMHSA managers told us that few staff receive an unacceptable rating and that using a pass/fail system can make it difficult to hold staff accountable for their performance. Moreover, this type of system may not give employees useful feedback to help them improve their performance, and it does not recognize employees who are performing at higher levels.

In addition, SAMHSA’s performance management system does not assess staff performance in relation to specific competencies. Competencies define the skills and supporting behaviors that individuals are expected to exhibit in carrying out their work, and they can provide a fuller picture of an individual’s contributions to achieving the agency’s goals. SAMHSA’s strategic workforce plan includes a description of the competencies that staff need, including technical competencies related to data collection and analysis, co-occurring disorders, and service delivery.³⁶ However, these competencies have not been incorporated into the agency’s performance management system to help reinforce behaviors and actions that support the agency’s goals.

SAMHSA Is Taking Action to Improve Its Partnerships with Federal Agencies and Departments

SAMHSA jointly funds grant programs with other federal agencies and departments, often through agreements that enable funds to be transferred between agencies. While these interagency agreements can streamline the grant-making process, SAMHSA’s lengthy procedures for approving them have delayed the awarding of grants. SAMHSA officials told us that they recently implemented policies to expedite the approval process. In addition to jointly funding programs, SAMHSA shares mental health and substance abuse expertise and information with other federal agencies and departments. Grantees with whom we spoke identified opportunities for SAMHSA to better coordinate with its federal partners to disseminate information about effective practices to states and community-based organizations.

³⁶In addition to technical competencies, SAMHSA also identified leadership, management, interpersonal and organizational, and human resource competencies.

SAMHSA Is Taking Steps to Expedite Approval of Joint Funding Arrangements

SAMHSA frequently collaborates with other federal agencies and departments to jointly fund grant programs that support a range of substance abuse and mental health services. (See table 3 for examples of jointly funded programs.) For example, for the \$34.4 million Collaborative Initiative to Help End Chronic Homelessness, SAMHSA, the Health Resources and Services Administration, the Department of Housing and Urban Development, and the Department of Veterans Affairs provide funds or other resources related to their own programs and the populations they generally serve. SAMHSA's funds are directed toward the provision of substance abuse and mental health services for homeless people.

Table 3: Selected Collaborative Initiatives between SAMHSA and Its Federal Partners

Grant program	Federal partner(s)	SAMHSA funding (fiscal year 2003)	Purpose
Safe Schools, Healthy Students Initiative	Department of Education, Department of Justice	\$71.0 million	To implement and enhance comprehensive communitywide strategies for creating safe and drug-free schools and promoting healthy childhood development
Serious and Violent Offenders Re-entry Initiative	Department of Education, Department of Housing and Urban Development, Department of Justice, Department of Labor	\$8.0 million	To prepare offenders to successfully return to their communities after having served a significant period of confinement
Collaborative Initiative to Help End Chronic Homelessness	Health Resources and Services Administration, Department of Housing and Urban Development, Department of Veterans Affairs	\$7.4 million	To end chronic homelessness by seeking to create a collaborative and comprehensive approach to addressing homelessness
Science to Service: State Implementation of Evidence-based Programs	National Institutes of Health	\$2.8 million	To promote and support implementation of evidence-based mental health treatment practices in state systems
Collaboration to Link Health Care for the Homeless Programs and Community Mental Health Agencies	Health Resources and Services Administration	\$1.2 million	To develop partnerships between community mental health and homeless health care systems

Source: GAO analysis of HHS and Departments of Education, Housing and Urban Development, and Justice documents.

Many of SAMHSA's joint funding arrangements use interagency agreements to transfer funds between agencies,³⁷ which allow grantees to

³⁷Interagency agreements allow an agency to enter into an arrangement in which it pays another agency for goods and services it receives or is paid by another agency for goods and services it provides. 31 U.S.C. § 1535 (2000).

receive all of their grant funds from a single federal agency or department (see table 4). For example, Safe Schools, Healthy Students grantees receive all of their funds from the Department of Education, even though SAMHSA also supports this program. SAMHSA officials told us that interagency transfers create fewer funding streams and make the process less confusing to grantees.³⁸

Table 4: Fiscal Year 2003 Interagency Agreements between SAMHSA and Its Federal Partners

Center	Funds transferred from the center		Funds transferred to the center	
	Number of agreements	Funds	Number of agreements	Funds
Center for Mental Health Services	24	\$80,536,775	24	\$87,096,930
Center for Substance Abuse Prevention	19	1,839,787	9	7,445,505
Center for Substance Abuse Treatment	10	8,482,000	3	2,140,000
Total	53	\$90,858,562	36	\$96,682,435

Source: GAO analysis of SAMHSA documents.

While transferring funds can streamline the grant process, SAMHSA’s system for approving interagency agreements has been inefficient. Before the funds are transferred, the agencies involved must approve an interagency agreement describing the amount of money being transferred and how it will be used. Officials from the Departments of Justice and Education told us that SAMHSA’s approval process was lengthy and resulted in agreements being completed at the last minute. The Department of Education found that it took SAMHSA more than 70 days to approve the 2003 Safe Schools, Healthy Students interagency agreement—a period that SAMHSA estimated was about 40 days longer than in previous years. SAMHSA officials told us that the approval process was complicated by the lack of a clear policy identifying the SAMHSA management officials who needed to review and approve the agreements. In March 2004, SAMHSA implemented new policies that clarify the process for reviewing and approving agreements and the responsibilities of specific SAMHSA officials. At that time, SAMHSA also began to track the

³⁸In contrast, the Collaborative Initiative to Help End Chronic Homelessness, in which SAMHSA participates with three other federal agencies, does not use interagency agreements, and grantees had to complete four separate applications and receive their grant funds from each agency. The President’s fiscal year 2004 and 2005 budgets proposed a similar grant program involving these four agencies—the Samaritan Initiative—that would use interagency transfers of funds, but the Congress has not authorized this initiative.

time it takes for the agency to review and approve interagency agreements. It is too early to know how SAMHSA's new policies will affect the efficiency of the approval process.

SAMHSA Has Efforts Under Way to Better Coordinate with Other Agencies to Share Information on Effective Practices

SAMHSA provides its expertise and information on substance abuse and mental health to other federal agencies and departments and collaborates with them to share information with states and community-based organizations. For example, officials from the Health Resources and Services Administration told us that in coordinating health care and mental health services for people who are homeless, they use SAMHSA's knowledge of community-based substance abuse and mental health providers who can work with primary care providers. Also, the Office of National Drug Control Policy uses data from SAMHSA's National Survey on Drug Use and Health to determine the extent to which it has achieved its goals and objectives. This survey also provides data to support HHS's Healthy People 2010's substance abuse focus area.³⁹

Several grantees told us that SAMHSA and the National Institutes of Health could better collaborate to ensure that providers have information about the most effective ways to deliver substance abuse and mental health services. Recognizing the importance of such a partnership, the two agencies recently initiated the Science to Service initiative, which is designed to better integrate the National Institutes of Health's research on effective practices with the services funded by SAMHSA.⁴⁰ For example, in fiscal year 2003, SAMHSA and the National Institutes of Health funded a grant to help states more readily integrate effective mental health practices into service delivery in their states.⁴¹

³⁹HHS's Healthy People 2010 is a set of disease prevention and health promotion objectives. These objectives are arranged into 28 focus areas, including 1 on substance abuse and 1 on mental health and mental disorders. Using its National Survey on Drug Use and Health, SAMHSA is responsible for reporting baseline data and data measuring progress toward the 2010 targets.

⁴⁰The Science to Service initiative is a collaboration among SAMHSA's three centers and the National Institutes of Health's National Institute of Mental Health, National Institute on Alcohol Abuse and Alcoholism, and National Institute on Drug Abuse.

⁴¹SAMHSA also coordinates with the National Institutes of Health to disseminate effective substance abuse treatment practices identified by National Institutes of Health researchers through SAMHSA's 14 regional addiction technology transfer centers.

In addition, grantees recommended that SAMHSA better coordinate with the Departments of Education and Justice to disseminate information about effective practices to states and community-based organizations. For example, a state official told us that SAMHSA and the Department of Education do not ensure that their processes for evaluating substance abuse prevention programs result in comparable sets of model programs.⁴² The two agencies evaluate programs using different criteria and rate some prevention programs differently. SAMHSA reported that it may be appropriate for agencies to have different criteria because each agency must have the ability to tailor its criteria to meet the specific goals of its grant programs. A SAMHSA official acknowledged, however, that SAMHSA and the Departments of Education and Justice are discussing how they can refine their criteria for evaluating prevention programs and better communicate the results to grantees.

SAMHSA Could More Effectively Manage Partnerships with State and Local Grantees

Officials from state mental health and substance abuse agencies and community-based organizations identified opportunities for SAMHSA to better manage its block and discretionary grant programs. They cited concerns with SAMHSA's grant application processes, site visits, and the availability of information on technical assistance. SAMHSA plans to transform its block grants into performance partnership grants in fiscal years 2005 and 2006, and the agency, along with the states, is preparing for the change. However, state officials are concerned that SAMHSA has not finalized the performance data that states would report under the proposed performance partnership grants. In addition, SAMHSA has not completed the plan it must send to the Congress identifying the data reporting requirements for the states and any legislative changes needed to implement the performance partnership grants.

⁴²SAMHSA's National Registry of Effective Programs and Practices provides a list of programs that have met SAMHSA's criteria for effectiveness and are ready to be disseminated as model programs. The Department of Education's Safe and Drug-Free Schools program also has a list of best practices, some of which are part of SAMHSA's National Registry of Effective Programs and Practices.

Grantees Have Raised Concerns about SAMHSA's Grant Processes

Officials from states and community-based organizations⁴³ told us that SAMHSA could improve administration of its grant programs, citing concerns related to the agency's grant application review processes, site visits to review states' compliance with block grant requirements, and the availability of information on technical assistance opportunities. In some instances, SAMHSA has begun to respond to these issues.

Discretionary Grant Applications

Grantees we talked to expressed concern that SAMHSA rejects discretionary grant applications without reviewing them for merit if they do not comply with administrative requirements.⁴⁴ SAMHSA told us that of the 2,054 fiscal year 2003 applications it received after January 3, 2003, 393—19 percent—were rejected in this initial screening process.⁴⁵ Of the 14 grantees we interviewed, 4 told us that SAMHSA rejected 1 of their 2003 grant applications without review and a fifth had 5 applications rejected. Grantees told us that this practice does not enable applicants to obtain substantive feedback on the content of their applications. They also said that SAMHSA's practice of waiting to notify applicants of the rejection until it notifies all applicants of funding decisions—near the start of the next fiscal year—impedes their fiscal planning.

In response to concerns over the number of grant applications it rejected on administrative grounds in fiscal year 2003, SAMHSA has changed the way it will screen fiscal year 2004 applications. On March 4, 2004, SAMHSA announced revised requirements that are intended to simplify and expedite the initial screening process for discretionary grants.⁴⁶ For example, SAMHSA will no longer automatically screen out applicants because their application is missing a section, such as the table of contents. Instead, the agency will consider whether the application contains sufficient information for reviewers to consider the application's

⁴³We interviewed officials from five state mental health agencies, five state substance abuse agencies, and four community-based organizations.

⁴⁴In fiscal year 2003, SAMHSA rejected applications without review if the applications did not meet specific format requirements, such as font or margin specifications or page limitations; were received after the due date; did not contain required documentation; did not respond to the grant's guidelines and review criteria; or had excessive funding requests.

⁴⁵SAMHSA officials told us that of the 1,661 applications that were reviewed for merit, 300 were awarded grants. SAMHSA was unable to provide data on the number of applications rejected without review for fiscal year 2003 applications received through January 3, 2003, or for applications received in previous years.

⁴⁶69 *Fed. Reg.* 10,254 (Mar. 4, 2004).

merit. In addition, SAMHSA will allow applicants more flexibility in the format of their application. Instead of focusing exclusively on specific margin sizes or page limits, SAMHSA will consider the total amount of space used by the applicant to complete the narrative portion of the application.⁴⁷ SAMHSA expects that under the new procedures it will screen out significantly fewer applications. However, some applications continue to be rejected for administrative reasons and will not receive a merit review.⁴⁸ In another change, a SAMHSA official told us that it would begin to notify applicants within 30 days of the decision if their application is rejected.⁴⁹

Block Grant Applications

State officials told us that the length and complexity of the mental health and substance abuse block grant applications create difficulties for both states and project officers. They described the block grant applications as confusing, repetitive, and difficult to complete. Furthermore, officials in five states told us that SAMHSA project officers may not be using the information states provide in the block grant application as well as they could, especially the narrative portion. For example, one state official received questions from the project officer about the state's substance abuse activities for women and children that could have been answered by reading the narrative section of the application. State officials suggested that project officers could more easily use the information states provided if the application were streamlined and included only the information most important to SAMHSA. They suggested that SAMHSA make these changes when it converts the block grants to performance partnership grants. SAMHSA officials told us they will not know whether the applications can be streamlined until they finalize the format of the performance partnership grants.

To allow center staff to retrieve information more quickly from the current substance abuse block grant application, the Center for Substance Abuse

⁴⁷SAMHSA will require that the total area of the project narrative (excluding margins, but including charts, tables, graphs, and footnotes) not exceed 58.5 square inches—the total area available on the page—multiplied by the page limit reported in the grant announcement.

⁴⁸A SAMHSA official told us that as of April 29, 2004, SAMHSA had screened 100 fiscal year 2004 applications and rejected 11 for administrative reasons.

⁴⁹HHS released a grant application manual—*HHS Awarding Agency Grants Administration Manual*—on October 1, 2003; section 2.04.104C-8 requires SAMHSA and other HHS agencies to notify applicants within 30 days if their grant application has been rejected.

Prevention and the Center for Substance Abuse Treatment began to use a Web-based application in spring 2003. The Web-based application allows the centers to retrieve information collected from the substance abuse block grant applications and more quickly develop reports analyzing data across states, such as the number of states in compliance with specific block grant requirements.⁵⁰

Site Visits

State officials told us that SAMHSA's site visits to review states' compliance with block grant requirements do not always allow the agency to adequately review their programs. For example, officials in three states told us that the length of these visits—often 3 to 5 days—is too short for SAMHSA to fully understand conditions in the state that affect the provision of services. Officials in two of these states said 3-day site visits did not provide reviewers with enough time to visit mental health care providers in the more remote parts of the state and observe how they respond to local service delivery challenges. A SAMHSA official told us that 3-day site visits are generally adequate for most states, but states are able to request a longer visit. The official acknowledged that SAMHSA could better communicate this flexibility to states.

Technical Assistance

Officials from eight states said the technical assistance they received from SAMHSA and its contractors⁵¹ was helpful;⁵² officials from five states told us that the agency could improve its dissemination of information about what assistance is available to grantees. For example, one state official suggested that SAMHSA provide more information on its Web site about what assistance is available or has been requested by other states. He said that making this information available is especially important because there is high staff turnover at the state level, and relatively new staff may have little knowledge about what SAMHSA offers. Several state mental health officials commented that SAMHSA's substance abuse block grant has a more structured technical assistance program than the mental health block grant and is able to offer more assistance opportunities. SAMHSA

⁵⁰The Center for Mental Health Services does not use a Web-based application, but it has created tables that enable states to enter performance data for the mental health block grant online.

⁵¹SAMHSA may contract with a mental health or substance abuse expert to provide technical assistance targeted to a state's specific needs.

⁵²In addition, officials from one state told us that the technical assistance they received from SAMHSA did not meet their needs and an official from a second state told us that he had not requested or received any technical assistance from SAMHSA within the past year.

officials noted that the substance abuse block grant program has more funds and staff to devote to the provision of technical assistance. SAMHSA's Center for Substance Abuse Treatment, for example, has a separate program branch to manage technical assistance contracts. This center is in the process of creating a list of documents that grantees developed with the help of technical assistance contractors—such as a state strategic plan for providing substance abuse services—so that other states can use them as models.

SAMHSA Is Preparing States for Performance Partnership Grants, but Has Not Finalized States' Reporting Requirements

To prepare for the mental health and substance abuse performance partnership grants—which SAMHSA plans to implement in fiscal years 2005 and 2006, respectively—SAMHSA has worked with states to develop performance measures and improve states' ability to report performance data. Specifically, SAMHSA identified outcomes for which states would be required to report performance data.⁵³ SAMHSA asked states to voluntarily report on performance measures related to these outcomes in their fiscal year 2004 block grant applications and the agency provided states with funding to help them make needed changes to their data collection and reporting systems. Over fiscal years 2001 and 2002, SAMHSA awarded 3-year discretionary grants of about \$100,000 per year to state mental health and substance abuse agencies to develop systems for collecting and reporting performance data.⁵⁴ State officials told us they used the grants in a variety of ways, such as to train service providers to report performance data.

Substance abuse and mental health agency officials we talked to told us that their states have made progress in preparing to report on performance

⁵³SAMHSA officials told us that they are working with the states to measure and report on the following outcomes: (1) abstinence from alcohol abuse or drug use and decreased symptoms of mental illness, (2) increased or retained employment and school enrollment, (3) decreased involvement with the criminal justice system, (4) increased stability in family and living conditions, (5) increased access to services, (6) increased retention in substance abuse treatment and reduced utilization of psychiatric inpatient beds, (7) increased social supports and social connectedness, (8) client perception of care, (9) cost effectiveness, and (10) use of evidence-based practices. The outcomes will also be the basis for performance data that SAMHSA requires for other grants it awards to states.

⁵⁴The Center for Mental Health Services awarded grants of about \$100,000 to mental health agencies in 49 states and the District of Columbia; Ohio and Micronesia did not receive funds and the other territories received \$50,000 each. The Center for Substance Abuse Treatment awarded \$100,000 grants to the substance abuse agencies in 32 states, the District of Columbia, and Puerto Rico; the U.S. Virgin Islands received \$50,000.

measures, but that their states would need to make additional data system changes before they could report all of the data that SAMHSA has proposed for the performance partnership grants. For example, officials from three states told us that they were still unprepared to report data that would come from other state agencies—such as information on school attendance obtained from the state’s education system. In addition, several state officials told us they have been unable to complete their preparations because they are waiting for SAMHSA to finalize the data it will require states to report. For example, a state mental health director told us that the lack of final reporting requirements has contributed to a delay in the implementation of the state’s new information management system. Similarly, officials from a state substance abuse agency told us that without SAMHSA’s final requirements, the state agency is limited in its ability to require substance abuse treatment providers to change the way they report performance data.

In addition, the Congress may need to make statutory changes before SAMHSA can implement the performance partnership grants, but SAMHSA has not given the Congress the information it sought on what changes are needed or on how the agency proposes to implement the grants—including the final data reporting requirements for the states. In 2000, the Congress directed SAMHSA to submit a plan containing this information by October 2002. SAMHSA submitted this plan to HHS for internal review on April 12, 2004, after which the plan must receive clearance from the Office of Management and Budget. SAMHSA could not tell us when it expects to submit the plan to the Congress.

Conclusions

SAMHSA’s leaders are taking steps to improve the management of the agency, but key planning tools are not fully in place. SAMHSA has been slow to issue a strategic plan, which is essential to guide the agency’s efforts to increase program accountability and direct resources toward accomplishing its goals. Furthermore, while SAMHSA is in the process of implementing its strategic workforce plan, the agency’s workforce planning efforts lack important elements—such as a detailed succession strategy—to help SAMHSA prepare for future workforce needs. Because future retirements and attrition could leave the agency without the appropriate workforce to effectively carry out its programs, it would be prudent for SAMHSA to have a succession strategy to help it retain institutional knowledge, expertise, and leadership continuity.

In addition, SAMHSA has not completed plans to ensure that its workforce has the appropriate expertise to manage the proposed performance

partnership grants, which would represent a significant change in the way SAMHSA holds states accountable for achieving results. These grants would require new skills from SAMHSA's workforce. Therefore, it is important for SAMHSA to complete hiring and training strategies to ensure that its workforce can effectively implement the grants.

SAMHSA cannot convert the block grants to performance partnership grants until it gives the Congress its implementation plan, which was due in October 2002. The Congress needs the information in SAMHSA's plan for its deliberations about legislative changes that may be needed to allow SAMHSA to implement the performance partnership grants. In addition, the plan's information on the performance measures SAMHSA will use to hold states accountable is needed by the states as they prepare to report required performance data. If SAMHSA does not promptly submit this plan, states may not be ready to submit all needed data by the time SAMHSA has planned to implement the grants—in fiscal years 2005 and 2006—and SAMHSA may not have the legislative authority needed to make the mental health and substance abuse prevention and treatment block grant programs more accountable and flexible.

Finally, as SAMHSA makes efforts to increase program accountability, it is in the agency's interest to fund state and local programs that show the most promise for improving the quality and availability of prevention and treatment services. Although SAMHSA has made changes that should reduce the number of discretionary grant applications rejected solely for administrative reasons—such as exceeding the specified page limitation—some applications are still not reviewed for merit because of administrative errors. Allowing applicants to correct such errors and resubmit their application within an established time frame could help ensure that reviewers are able to assess the merits of the widest possible pool of applications and could increase the likelihood of SAMHSA's funding the most effective mental health and substance abuse programs.

Recommendations for Executive Action

We recommend that, to improve SAMHSA's management of its programs, promote the effective use of its resources, and increase program accountability, the Administrator of SAMHSA take the following four actions:

- Develop a detailed succession strategy to ensure SAMHSA has the appropriate workforce to carry out the agency's mission.

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- Complete hiring and training strategies, and assess the results, to ensure that the agency's workforce has the appropriate expertise to implement performance partnership grants.
 - Expedite completion of its plan for the Congress providing information on the agency's proposal for implementing the performance partnership grants and any legislative changes that must precede their implementation.
 - Develop a procedure that gives applicants whose discretionary grant application contains administrative errors an opportunity to revise and resubmit their application within an established time frame.

Agency Comments

We provided a draft of this report to SAMHSA for comment. Overall, SAMHSA generally agreed with the findings of the report. (SAMHSA's comments are reprinted in app. III.) SAMHSA said that it already has efforts under way to address each of the report's key findings and recommendations, and that it endorses the value the report places on strategic planning, workforce planning, and collaboration with federal, state, and community partners.

SAMHSA indicated that it will continue to engage in a strategic planning process and said that its priority issues and principles are central to this process. As we had noted in the draft report, SAMHSA commented that it expects to complete and approve the action plans developed by each of its priority issue work groups by June 30, 2004. SAMHSA also said that it would update its draft strategic plan to include summaries of the action plans, and then disseminate the draft for public comment, submit it to HHS for clearance, and publish the final plan. Our draft report stated that SAMHSA did not want to issue its strategic plan before HHS issued the new departmental strategic plan. In its comments, SAMHSA noted that HHS published its strategic plan in April 2004 and that this was no longer an issue affecting SAMHSA's schedule for publishing its plan.

In its comments, SAMHSA also stated that it places a high priority on the development of a succession plan. SAMHSA said that it is preparing for an anticipated increase in the agency's attrition rate over the next several years and is reviewing the pool of staff eligible to retire to identify the skills and expertise that could be lost to the organization. While SAMHSA is beginning to engage in succession planning, it has not developed a detailed succession strategy. We have made our recommendation more specific to communicate the need for SAMHSA to develop such a strategy.

In response to our recommendation that SAMHSA complete hiring and training strategies to ensure that the agency's workforce has the appropriate expertise to implement performance partnership grants, SAMHSA said that it is addressing the need for its workforce to have the appropriate expertise. For example, SAMHSA indicated that it has initiated efforts to identify training needed by current staff and to ensure that new staff have needed skills. However, we believe it is important for SAMHSA to fully develop both hiring and training strategies to ensure that it has the appropriate workforce in place when it implements performance partnership grants.

In response to our recommendation to develop a procedure to allow applicants to correct administrative errors in discretionary grant applications, SAMHSA commented that its new screening procedures have yielded a substantial increase in the percentage of applications that will be reviewed for merit. As a result, SAMHSA believes our recommendation is premature and said that it plans to evaluate the results of the revised procedures before making any additional changes. While early evidence indicates that the new procedures are reducing the proportion of applications rejected for administrative reasons, these procedures have not eliminated such rejections. Because it is important for reviewers to be able to assess the merits of the widest possible pool of applications, we believe it would be beneficial for SAMHSA to develop the procedure we are recommending without delay.

Finally, in response to the report's discussion of the performance partnership grants, SAMHSA commented that it will continue its efforts to increase accountability in its block grant and discretionary grant programs. SAMHSA said that the proposed fiscal year 2005 mental health and substance abuse block grant applications contain outcome measures that the agency expects to use to monitor grant performance. However, these applications have not been finalized, and the draft applications indicate that several of the performance measures are still being developed. It is important for SAMHSA to give the Congress its plan for implementing the performance partnership grants so that the Congress can consider any legislative changes that might be necessary to implement the grants and SAMHSA can more fully hold states accountable for achieving specific results.

SAMHSA also provided technical comments. We revised our report to reflect SAMHSA's comments where appropriate.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. We are sending copies of this report to the Secretary of Health and Human Services, the Administrator of SAMHSA, appropriate congressional committees, and other interested parties. We will also make copies available to others who are interested upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions, please contact me at (312) 220-7600 or Helene Toiv, Assistant Director, at (202) 512-7162. Janina Austin, William Hadley, and Krister Friday also made major contributions to this report.

Sincerely yours,



Leslie G. Aronovitz
Director, Health Care—Program
Administration and Integrity Issues

Appendix I: Scope and Methodology

In performing our work, we obtained documents and interviewed officials from the Substance Abuse and Mental Health Services Administration (SAMHSA). While we reviewed documents related to SAMHSA's strategic planning and to its performance management system, we did not perform a comprehensive evaluation of SAMHSA's management practices. We also reviewed the policies and procedures the agency uses to oversee states' and other grantees' use of block and discretionary grant funds. We interviewed officials from SAMHSA's Office of the Administrator; Office of Policy, Planning, and Budget; Office of Program Services; Office of Applied Studies; Center for Mental Health Services; Center for Substance Abuse Prevention; and Center for Substance Abuse Treatment.

To determine how SAMHSA collaborates with other federal agencies and departments, we interviewed officials from the Department of Education, the Department of Justice, and the Department of Health and Human Services' Centers for Disease Control and Prevention, Health Resources and Services Administration, and National Institutes of Health. After reviewing lists of collaborative efforts provided by SAMHSA's centers, we selected these agencies because each one is involved in a collaborative effort with each of SAMHSA's three centers. Within these agencies, we identified collaborative initiatives that involve interagency committees, data sharing, interagency agreements, and other joint funding arrangements. We interviewed and obtained documentation related to these initiatives from federal agency officials who were directly involved in them. We also interviewed officials from the Centers for Medicare & Medicaid Services because Medicaid is the largest public payer of mental health services and officials from the Indian Health Service, which provides substance abuse and mental health services to tribal communities. We interviewed officials from the White House Office of National Drug Control Policy, which coordinates federal antidrug efforts.

To determine how SAMHSA collaborates with state grantees, we interviewed officials from state mental health and substance abuse agencies. We interviewed mental health agency officials in California, Colorado, Connecticut, Mississippi, and South Dakota, and substance abuse agency officials in Iowa, Massachusetts, Montana, Texas, and Virginia. We selected these states on the basis of variation in their geographic location, the size of their fiscal year 2003 mental health or substance abuse block grant award, the number of discretionary grant awards they received in fiscal year 2002,¹ and their involvement in

¹Fiscal year 2002 was the most recent year for which this information was available.

SAMHSA initiatives to improve states' ability to report mental health and substance abuse data.

To gain a better understanding of SAMHSA's collaborative efforts, we interviewed officials from community-based organizations that received discretionary grants from each of SAMHSA's centers. We selected the largest discretionary grant programs available to community-based organizations from the Center for Substance Abuse Treatment (the Targeted Capacity Expansion: HIV Program) and the Center for Mental Health Services (the Child Traumatic Stress Initiative). We selected the Center for Substance Abuse Prevention's Best Practices: Community-Initiated Prevention Intervention Studies—the center's second largest discretionary grant program available to community-based organizations—to provide a variety of SAMHSA's priority issues.² We also selected one grant that was jointly funded by SAMHSA and the Health Resources and Services Administration (the Collaboration to Link Health Care for the Homeless Programs and Community Mental Health Agencies). (See table 5.) For each of the four grant programs, we selected one community-based organization that received grant funds in fiscal year 2001 or 2002 and that was located in 1 of the 10 states we selected.

Table 5: Information on Selected Discretionary Grant Programs

Grant	Sponsoring center	Priority issue	Funding (fiscal year 2003)
Targeted Capacity Expansion: HIV	Center for Substance Abuse Treatment	HIV/AIDS and hepatitis	\$61.5 million
Child Traumatic Stress Initiative	Center for Mental Health Services	Children and families	\$29.8 million
Best Practices: Community-Initiated Prevention Intervention Studies	Center for Substance Abuse Prevention	Strategic prevention framework	\$9.8 million
Collaboration to Link Health Care for the Homeless Programs and Community Mental Health Agencies	Center for Mental Health Services	Homelessness	\$1.2 million

Source: GAO analysis of SAMHSA documents.

²The Center for Substance Abuse Prevention's largest discretionary grant program is the Targeted Capacity Expansion: Substance Abuse Prevention and HIV Prevention in Minority Communities Initiative, which, like the Targeted Capacity Expansion: HIV Program, falls within SAMHSA's HIV/AIDS and hepatitis priority issue.

To obtain additional information about SAMHSA's collaboration with state agencies and other grantees, we interviewed representatives of the National Association of State Alcohol and Drug Abuse Directors, the National Association of State Mental Health Program Directors, and the Community Anti-Drug Coalitions of America. These organizations represent, respectively, state substance abuse agencies, state mental health agencies, and community-based substance abuse prevention organizations. We also interviewed representatives of the National Alliance for the Mentally Ill and the National Council on Alcoholism and Drug Dependence, because those organizations represent consumers of mental health services and substance abuse services, respectively. We conducted our work from July 2003 through May 2004 in accordance with generally accepted government auditing standards.

Appendix II: SAMHSA’s Strategic Workforce Plan Goals and Strategies, by Focus Area

	Focus areas		
	Clarifying organizational purpose	Creating effective work processes	Valuing our most critical asset—people
Goals	SAMHSA has a strong leadership and management capacity, a clearly defined role as a national leader in substance abuse and mental health services, and a well-structured organization to support its mission.	SAMHSA has effective and efficient processes and methods for accomplishing its mission and optimizing its workforce.	SAMHSA strategically invests in its workforce by putting the right people in the right place at the right time. SAMHSA systematically recruits, selects, and hires talented employees and continuously re-recruits them by creating a great place to work and by developing the competencies needed to achieve its mission.
Strategies	<p>Ensure that SAMHSA has a cross-functional executive leadership team that works together to guide the organization toward achieving its mission.</p> <p>Develop a clear and compelling multiyear strategy that is dynamic, aligned with the organizational mission, and linked to the performance of each organizational component and employee.</p> <p>Create an organizational structure that maintains the strengths of the current system, focuses on quality, and increases flexibility and capacity.</p>	<p>Improve the development, review, and management of discretionary grants.</p> <p>Improve the publication clearance process.</p> <p>Examine the block and formula grants process to create a more efficient and streamlined process.</p> <p>Establish a new system for responding to external requests.</p> <p>Continue to enhance customer-focused and effective infrastructure at SAMHSA.</p>	<p>Change the size, scope, and distribution of the workforce of SAMHSA.</p> <p>Anticipate competency needs and strategically close competency gaps where needed.</p> <p>Continue to enhance a systematic approach to recruiting skilled talent in a tight labor market.</p> <p>Continue to enhance a systematic approach to retaining existing expertise.</p> <p>Enhance the design and implementation of a systematic approach to developing the workforce.</p> <p>Develop a systematic performance management system to align individual effort with strategic imperatives.</p> <p>Implement a technology tool to provide SAMHSA with workforce profile data for managing its workforce.</p>

Source: GAO analysis of SAMHSA’s Strategic Workforce Plan 2001–2005.

Appendix III: Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

Substance Abuse and Mental Health Services Administration

Center for Mental Health Services
Center for Substance Abuse Prevention
Center for Substance Abuse Treatment
Rockville MD 20857

MAY 14 2004

Ms. Leslie G. Aronovitz
Director, Health Care – Program
Administration and Integrity Issues
General Accounting Office
Washington, D.C. 20548

Dear Ms. Aronovitz:

Thank you for the opportunity to provide comments on your draft report entitled *SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION: Planning for Program Changes and Future Workforce Needs is Incomplete (GAO-04-683)*.

Overall, we accept the findings of the report. Each of its key findings and recommendations focuses on an area already identified by the Substance Abuse and Mental Health Services Administration (SAMHSA) as needing further action or improvement, and I am pleased to say that efforts are already well underway to address each of these issues. We fully endorse the value the report places on strategic planning, workforce planning, and collaboration with our Federal, State, and community partners. Our comments below are designed to clarify some of SAMHSA's accomplishments in these areas.

Strategic Planning

SAMHSA will continue its active engagement in an ongoing and dynamic strategic planning process. Our matrix of priorities and cross-cutting principles is central to this process. The mission, vision, goals, and objectives resulting from the strategic planning process were contained in our fiscal year (FY) 2004 and FY 2005 budget submissions, and are forming the basis for full integration of budget and performance in our FY 2006 budget submission. Our FY 2004 and FY 2005 budget requests were organized by strategic goal and matrix priority area. SAMHSA has approved action plans for some of the matrix priority areas, to guide program development. The remainder are to be completed and approved by June 30. Once the action plans are completed, the draft SAMHSA strategic plan will be updated, and summaries of the action plans will be appended. The plan will then be disseminated for public comment, submitted to the Department of Health and Human Services (DHHS) for clearance, and published. As the DHHS strategic plan was sent to Congress in early April and is now publicly available, the timing of its publication no longer affects the schedule for SAMHSA's strategic plan.

Office of the Administrator—Office of Applied Studies—Office of Communications—Office of Policy, Planning and Budget—Office of Program Services

Page 2 – Ms. Leslie G. Aronowitz

Workforce Planning

The report recommends that SAMHSA “implement workforce succession planning,” and indicates SAMHSA is not developing a succession plan. To the contrary, SAMHSA has already begun to address this issue, and we place a high priority on our development of a succession plan. In FY 2005, 25 percent of SAMHSA staff will be eligible for voluntary retirement. Despite a moderate attrition rate of 10 percent in FY 2003, SAMHSA is making preparations for an anticipated increase in this rate over the coming years. We are reviewing the pool of staff eligible to retire within the next several years to identify skills and expertise that could be lost to the organization. These competencies will be integrated, as appropriate, into the curriculum of our ongoing management development program. When staff in key positions notify us of anticipated retirement, we immediately begin recruitment planning. Staff capabilities and training needs are assessed on an ongoing basis to guide recruitment plans, and to re-tool our current workforce. SAMHSA aggressively recruits outstanding scholars and other highly qualified job candidates, to offset the anticipated retirement trends. Such recruitment is frequently conducted nationwide.

The report recommends that SAMHSA “ensure the agency’s workforce has the appropriate expertise to implement the performance partnership grants.” We have already taken several steps to address this need. SAMHSA has identified a number of areas in which the project officers require further professional development to adequately address their future responsibilities. Current project officers are being reassigned to updated position descriptions that reflect the new responsibilities, and their performance will be assessed on those responsibilities. Recruitment for new project officers uses the updated position descriptions, and job candidates are assessed against the new skill set requirements. A workgroup has been convened to develop prioritized, individual staff development plans, and to identify and schedule necessary training for affected staff.

Discretionary grant applications

The report recommends that SAMHSA “develop a procedure to allow applicants for discretionary grants to correct administrative errors in applications and resubmit them.” In FY 2004, SAMHSA improved its procedures to ensure applications are subjected to peer review whenever possible. Criteria that exclude applications from review are only those necessary to ensure a fair and competent review, and are similar to the requirements of other Federal agencies. The criteria include: programmatic eligibility criteria (such as appropriate licensure); compliance with application deadlines; legibility; and adherence to space limitations to ensure an equal playing field. The new procedures have yielded a substantial increase in the percentage of applications submitted to peer review. Given the recent implementation of these improvements, we view the report’s recommendation to be premature. SAMHSA plans to evaluate the success of the changes in FY 2004 before determining whether additional changes are needed and what they would be.

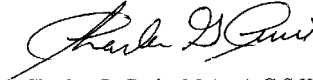
Page 3 – Ms. Leslie G. Aronovitz

Performance Partnership Grants

The report recommends that SAMHSA “expedite completion of the plan for the Congress providing information on the performance partnership grants.” SAMHSA will continue on its path to increase accountability in its block grant and discretionary programs. We have identified seven domains of client outcomes, in which we anticipate data would be collected to monitor grant performance. These outcome measures have been publicized in the proposed FY 2005 applications for both the mental health and substance abuse block grants, and in the Requests for Applications for both the Access to Recovery program and the Strategic Prevention Framework State Incentive Grants. By unifying data collection efforts in these seven domains, we anticipate reducing multiple reporting burden on the States and other grantees, and aggregating data across programs to assess performance. We look forward to submitting the Report to Congress, and to implementing the changes necessary to ensure the highest quality of services are provided through this critical funding source.

Thank you again for the chance to provide clarification on these issues. If you have any further questions, please feel free to contact me on 301-443-4795.

Sincerely,



Charles G. Curie, M.A., A.C.S.W.
Administrator

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