oppaga
OFFICE OF PROGRAM POLICY ANALYSIS & GOVERNMENT ACCOUNTABILITY

February 2005 **Report No. 05-07**

Centralizing DCF Substance Abuse and Mental Health Programs Provides Benefits But Also Challenges

at a glance

The recent reorganization of the Department of Children and Families substance abuse and mental health programs from a decentralized to a centralized structure provides several benefits, including

- **greater program visibility;**
- **greater coordination within and between the substance abuse and mental health programs;**
- **faster decision making;**
- **increased standardization of policies and practices;**
- **enhanced oversight and accountability for facilities, personnel, and contracting.**

To fulfill their new responsibilities, central office program managers need to improve communication so that other programs outside of the department are aware of the new structure, and familiarize themselves with local operational and service delivery issues. District program supervisors need to maintain close working relationships with other programs inside and outside the department.

The substance abuse and mental health programs may experience further changes if the department makes them part of the zone structure.

Scope

Chapter 2003-279, *Laws of Florida*, directs OPPAGA and the Auditor General to evaluate the state's substance abuse and mental health systems and management. This is the first of two reports examining the impact of recent organizational changes within the Department of Children and Families on the systems. We also will issue two reports on the newly created Substance Abuse and Mental Health Corporation.

This report addresses two questions.

1. What organizational changes have been made to the substance abuse and mental health programs?
2. What benefits and challenges have been created by centralizing the substance abuse and mental health programs?

Background

The Department of Children and Families is responsible for planning, evaluating, and implementing comprehensive statewide programs for mental health and substance abuse.

The department's mental health programs are intended to reduce the occurrence and disabling effects of mental health problems. The programs include adult community mental health, children's mental health, and receiving and treatment facilities. [1] The department's substance abuse programs are intended to lessen the detrimental effects of use and abuse of legal and illegal substances. The programs include prevention, intervention, and treatment services for adults and children. [2] The substance abuse

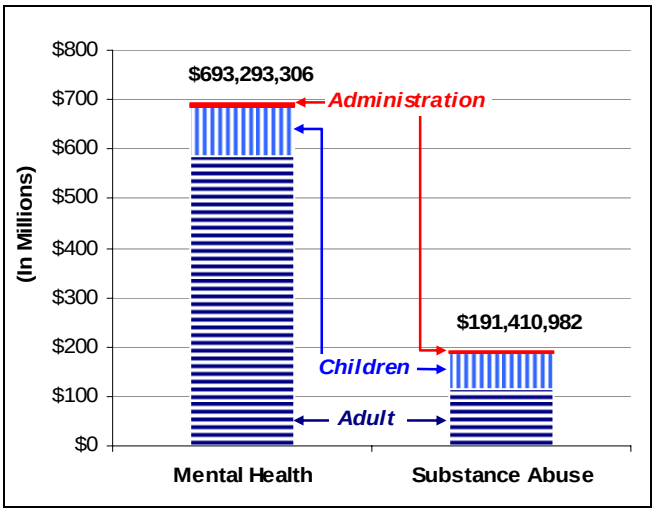
[1] Services include emergency stabilization, case management, outpatient services, assertive community treatment teams, juvenile restoration support, community support services, residential care, forensic treatment, and civil treatment.

[2] Services include prevention, detoxification, residential treatment and aftercare, and outpatient treatment and aftercare.

programs also license not-for-profit and for-profit treatment providers. The department operates four state mental health treatment facilities and contracts for all other mental health and substance abuse services.

For Fiscal Year 2004-05, the Legislature appropriated nearly $900 million to the Department of Children and Families for mental health and substance abuse services, with most of these funds (approximately $700 million) appropriated to mental health programs. (See Exhibit 1.) The Legislature appropriated 98 full-time equivalent positions (FTEs) to community-based mental health programs, 4,311.5 FTEs to mental health treatment facilities, and 48 FTEs to substance abuse programs. A subsequent budget amendment approved in September 2004 restored 12 FTEs to the mental health program and 11 FTEs to substance abuse program by transferring 26 vacant positions from mental health treatment facilities.

Exhibit 1
Mental Health Services Receive the Bulk of Program Funding



Source: Fiscal Year 2004-05 General Appropriations Act.

Several other state agencies also provide or fund services to certain populations with mental or addictive disorders. These agencies include the departments of Education, Corrections, Juvenile Justice, Law Enforcement, and the Agency for Health Care Administration. Together, these agencies accounted for nearly $900 million in additional funds for substance abuse and mental health services and programs in Fiscal Year 2003-04. (See Appendices A and B for detailed information on these agencies' services and funding.)

Findings

Question 1: What organizational changes have been made to the substance abuse and mental health programs?

The Legislature recently reorganized the Department of Children and Families substance abuse and mental health programs from a decentralized to a centralized organizational structure. The programs may experience additional changes if moved to a zone structure.

The previous structure of the substance abuse and mental health programs was highly decentralized

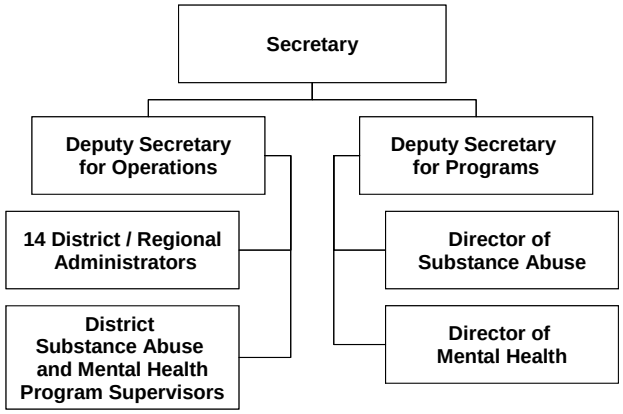
Prior to 2003, the Department of Children and Families' mental health and substance abuse programs operated within the department's decentralized district structure. Under this structure, the department operated through a central office and 13 districts and one region.[3] The department's central office performed administrative functions including planning, developing budget requests, receiving and managing federal funds, interpreting federal and state laws and regulations, developing program policies, and providing program oversight and accountability. The 13 districts and one region were semi-autonomous and controlled their budgets, personnel, purchasing, contracting, and operations. Local substance abuse and mental health programs operated under the supervision of their district offices and received administrative support services from these offices.

As shown in Exhibit 2, a major characteristic of the prior structure was that program and operations staff had separate chains of command. Local program supervisors who oversaw substance abuse and mental health programs reported to

[3] In addition to the districts, one portion of the state was configured as a region and was supervised by a regional administrator. The region was a combination of two districts plus two counties; it was a pilot to test whether aggregated districts could be administered more efficiently. As such, it was the precursor to the zone structure discussed on page 4.

their district administrator, who reported directly to the department's deputy secretary for operations. At the central office, the substance abuse and mental health programs each had a separate director who answered to the deputy secretary for programs. The central office substance abuse and mental health programs had little influence in personnel or performance issues regarding district program operations.

Exhibit 2
Previously, Programs and Operations Had Separate Chains of Command



Source: Department of Children and Families.

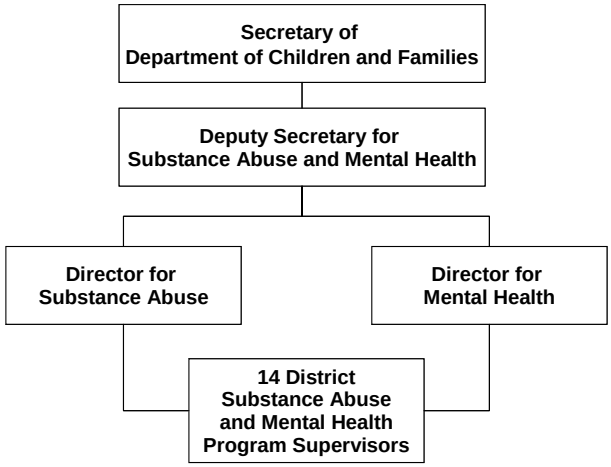
The new structure is centralized with central office authority over district staff

With Ch. 2003-279, *Laws of Florida*, the Legislature reorganized the substance abuse and mental health programs into a centralized structure. This new structure will expire on October 1, 2006, unless reenacted by the Legislature before that date.

To increase the visibility and focus on the programs, the new structure was created as an "agency within an agency," and gave the central program office more control over policy, programs, and the budget. Under the old structure, program staff and stakeholders observed that the substance abuse and mental health programs did not receive the attention and resources they deserved because the program competed for agency resources with the child welfare program, a primary focus of both the central and district offices.

The law established the position of deputy secretary of substance abuse and mental health, which answers to the secretary of the department. The deputy secretary oversees a director for substance abuse and a director for mental health. Each program director has direct line authority over all district substance abuse and mental health program supervisors. (See Exhibit 3.)

Exhibit 3
New Organizational Structure Provides Direct Central Office Oversight of District Staff



Source: Department of Children and Families.

To support the new program structure, the department has created a contracting unit and a budget unit in the substance abuse and mental health program. It also added two operations manager positions, one for each program, to the central office to assist with supervising district program supervisors. The Mental Health Office also created a clinical unit to consult on treatment practices and provide clinical quality assurance. Also, responsibility for supervising the civil mental health facilities was moved from the district administrators to the director of Mental Health at the central office.

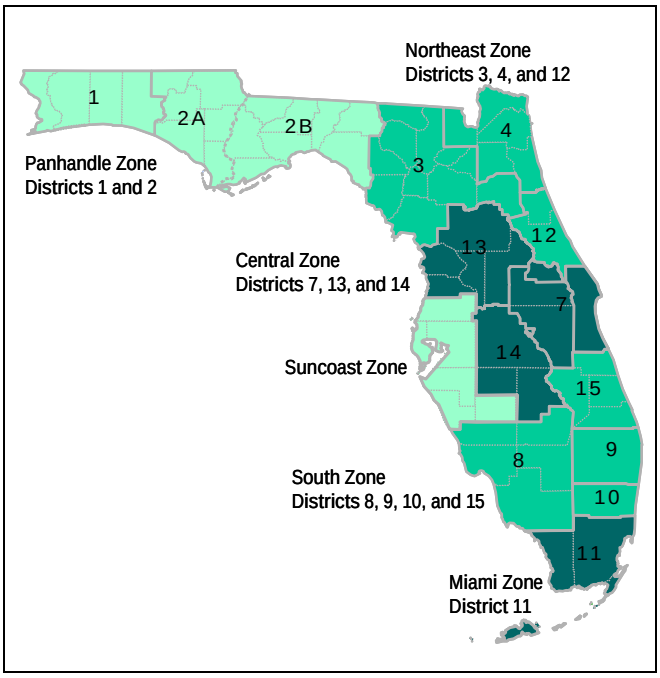
To better define the working relationships between the central office and the district offices, the law required the deputy secretary to enter into a memorandum of agreement with each district administrator. These memoranda address issues such as the type and level of district office administrative support to local substance abuse and mental health offices. To improve communication, the agreements require that the

district program managers continue to be members of the district administrator's executive management team as well as keep the district administrator informed of the status of substance abuse and mental health issues and initiatives. These memoranda were signed and enacted by August 2003. However, since these memoranda were signed, the administrative services provided by the district have been consolidated into zones. The memoranda of understanding should be revised to reflect this administrative change.

While other programs consolidated into zones, substance abuse and mental health has not

In 2004 the department consolidated its districts and most of its programs into six large zones. (See Exhibit 4.)

Exhibit 4
The Department Reorganized Most Administrative and Programmatic Functions into Six Zones



Source: Department of Children and Families.

In each zone, a district administrator acts as zone manager. This restructuring of administrative support services and program management was intended to reduce costs and improve operational efficiency. Functions consolidated at the zone level now include program offices, human resources, financial management, information technology, general services, purchasing, legal services, contract administration, and contract monitoring. Previously, these functions were the responsibility of district offices. As of October 2004, all zones were implemented and functional.

The substance abuse and mental health program office was not consolidated into zones and is the only program office remaining at the district level. The department's rationale for keeping the district structure was to retain the community-based nature of the program and links to local providers and advocacy groups.[4] Also, through centralization the substance abuse and mental health programs had already achieved some benefits similar to consolidation, such as bringing contract development and budget work together at the central office.

Although the substance abuse and mental health program was not included in the restructuring, this shift has created challenges for the program. First, the program must work within an administrative structure different from its own. This has created some difficulties for the program, especially with contract monitoring, because the contract managers report to the mental health program supervisor and the contract monitors report to the zone managers. Further, most contract monitors are generalists who do not have a background in substance abuse or mental health and lack the clinical and program expertise necessary to review critical programmatic aspects of provider performance. As a result, monitors may focus primarily on administrative issues rather than issues that are important to program supervisors, such as the adequacy of case plans, the link between client evaluations and case plans, and case management performance. Therefore, this arrangement severs the linkages among performance expectations for providers, actual provider performance, and necessary corrective actions. To ensure that contracts are monitored for service quality and performance, contract monitors must have programmatic expertise.

Second, during the move to the new zone structure, all programs and administrative units experienced reductions in central office and district staff. Although 23 of the 40 eliminated substance abuse and mental health FTEs were

[4] Functions of the substance abuse and mental health program at the district level are contract management, budget, policy implementation, and working with providers and other agencies.

restored, it may no longer be feasible to retain the substance abuse and mental health programs at the district level. While the number of staff has been reduced, the workload remains the same, over-extending central office and district staff resources. For example, central office managers now directly supervise 14 program supervisors across the state as well as approving district travel and personnel actions previously handled by district administrators. District staff work with over 400 provider organizations and manage over 600 contracts. Program managers are therefore considering moving the mental health and substance abuse programs to a zone structure too. This revised structure would require fewer program supervisors and these positions could be shifted to other functions. If the program followed the department's zone configuration, program supervisors would be reduced from 14 to 6.

Question 2: What benefits and challenges have been created by centralizing the substance abuse and mental health programs?

To determine the effects of the new centralized structure on the mental health and substance abuse programs, we examined program records and interviewed central office substance abuse and mental health managers, other department managers, district program supervisors, district administrators, and representatives of state agencies and advocacy groups. We concluded that the program's new centralized organizational structure has produced benefits, but also some challenges.

There are several benefits to centralizing the substance abuse and mental health programs

Centralizing the substance abuse and mental health programs has produced several benefits, including improved visibility and relationships with stakeholders, increased intradepartmental cohesion, more immediate decision-making, increased standardization, improved accountability, enhanced facility and personnel management, and more uniform contracting.

Greater visibility. As intended, the new structure appears to have elevated the visibility and support of the programs.[5] District and central office substance abuse and mental health staff noted that the new structure improved relationships between the substance abuse and mental health programs and stakeholders. District and central office staff both indicated that the ability to work directly with substance abuse and mental health providers, advocates, and other stakeholders rather than channeling communication through the former district structure has improved communication with these key groups.

Greater intradepartmental cohesion. The new organizational structure enhances intra-departmental coordination by creating more cohesion between the two programs and among central office and districts. The creation of the deputy secretary position has brought the substance abuse and mental health programs together rather than leaving them to operate in separate program silos. The centralized structure provides district staff with a sense of identification with a statewide program. Program supervisors noted that they are more responsive to the central office than under the previous district structure. Program supervisors observed that the central office now has ownership of what happens in local communities because of the shift in responsibility from districts to the central office to ensure that functions are completed.

Faster decision making. The centralized structure allows for more immediate decision-making and problem solving. For example, when a district had a problem with a child welfare lead agency being able to access therapeutic foster care services, it raised the issue directly to the appropriate staff at central office, who immediately provided the district with a decision. District program supervisors stated that decisions are being made quickly and that they have direct access to those making the decisions.

District staff noted that the previous decentralized structure created a variety of problems, including requiring district managers without expertise in

[5] The substance abuse program has greater public visibility than the mental health program through its relationship with the Governor's Office of Drug Control, where the DCF director of substance abuse serves as the director of treatment. The Governor's Office of Drug Control establishes strategies for interdiction, prevention, and treatment.

mental health or substance abuse to make decisions about program services and using multiple supervisory layers. Under the current structure, central office staff with expertise in substance abuse and mental health programs can provide decisions to district supervisors without first going through the deputy secretary of programs, the deputy secretary for operations, district administrators, and district program managers.

To aid direct communication, central office staff have made themselves available to district supervisors through email, cell phones, and home phones. The deputy secretary for mental health and substance abuse's ability to have direct access to the DCF secretary also has expedited decision making. The deputy secretary has daily meetings with the department secretary where issues are discussed and decisions made without going through several levels of managers.

Increased standardization. The centralized structure also increases standardization of policies and practices. One problem with the previous decentralized structure of the program was inconsistent policy interpretation and implementation throughout the state. In addition, the central office had no mechanism to ensure that districts were following the best practice models for substance abuse and mental health services. For many years staff from the central office had not routinely monitored district substance abuse and mental health operations or services to ensure the standardization of policies and practices.

Under the current structure, the central program office is standardizing policies and practice through more frequent contact with program supervisors and regional meetings. These meetings create a forum for program managers to see statewide trends and share expertise, resulting in greater use of best practices. From the perspectives of both district program supervisors and central office staff, the new structure provides more uniformity in the programs and sharing of best practices has been enhanced through more frequent contact with central office staff and other program supervisors.

Enhanced accountability. A key benefit of the centralized reporting structuring is that it has provided a more systematic approach to oversight and accountability, especially in the areas of supervision of facilities, personnel management and contracting

District and central office staff asserted that the central supervision of the state's civil mental health facilities has produced several advantages, including better incorporation of the facilities into the mental health system of care, a better view of system assets and client need, and more accountability for facility administrators. For example, central office staff are better able to track facility admissions and discharges and to change catchment areas as needed. The central office now receives census counts directly from the facilities rather than from district administrators. The central office also stated that direct supervision of the facilities is improving the transition of residents to community-based services. Furthermore, there is now more scrutiny of facility budgets and personnel actions. Treatment facilities are now required to follow common procedures. This is reinforced by monthly visits and annual quality assurance reviews by central office staff, which did not occur under the previous decentralized structure.

Personnel management also has improved. The central office, rather than the district administrator, now has hiring and firing authority for program supervisors. With this new authority has come the ability to clarify performance expectations for district staff, to implement more stringent performance expectations for supervisors, and to add quality measures in performance evaluations. District performance is enhanced through direct access to experts in clinical best practices in the central office and the improved training and technical assistance now provided by the substance abuse and mental health programs in the central office.

The central office now has the lead for developing substance abuse and mental health contracts, rather than serving in a consulting capacity to the department's contract office. The central office Substance Abuse and Mental Health Office created its own contracting unit to develop model service contracts and guidelines for districts use. This has reduced variability in contracts across the state through the ability to ensure that contract content and performance measures are not changed at the district level.

There are also challenges with the centralized structure

While the new centralized management structure has produced benefits, it has also created challenges for both district and central office staff. A key challenge for district staff under a centralized structure is maintaining communication with other programs, both inside and outside the department. A few district program supervisors expressed concern that the new structure had lessened their contact with other programs in the department and the child welfare lead agencies. Compounding this challenge at the state level is the fact that most other state agencies involved in the fields of substance abuse and mental health were not aware of the organizational changes to the program, although the programs' key advocacy and other stakeholder groups were aware of the restructuring. Without understanding the centralized reporting structure of the programs, other state agencies will tend to continue to direct questions and discuss issues with district staff rather than central office managers who can now directly address these local issues and solve problems. The substance abuse and mental health program should inform other agencies of its new structure to facilitate communication and coordination of services for clients

Another key challenge for central office staff is becoming familiar with local substance abuse and mental health issues. Under the old decentralized structure, the central office had limited contact and knowledge of local program conditions and interagency relationships. Developing this expertise will take some time, but is essential to making informed decisions. To aid this process, it will be important for central office staff to spend time in the field with district staff and meet with local providers and stakeholder groups to familiarize themselves with local operational and service delivery issues.

Recommendations

To support the new centralized structure, the Substance Abuse and Mental Health Program needs to take the actions described below.

- Ensure that contract monitors have substance abuse or mental health experience so they can review service quality as well as administrative issues
- Inform other state agencies of its new structure to facilitate communication and coordination of services for clients.
- Maintain close working relationships with other department programs, providers, and advocacy groups.
- Revise memoranda of agreement with zone managers to reflect the administrative changes in the department brought about by moving from districts to zones.

Agency Response

In accordance with the provisions of s. 11.51(6), *Florida Statutes,* a draft of our report was submitted to the Secretary of the Department of Children and Families for review and response.

The Secretary's written response is reproduced in its entirety in Appendix C.

OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

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Gary R. VanLandingham, OPPAGA Interim Director

Appendix A

Substance Abuse and Mental Health Funding by Service Type Fiscal Year 2003-04

The table below shows funding by type of service for those state agencies that provide or fund substance abuse and mental health services. Funding is based upon appropriations for Fiscal Year 2003-04.

	AHCA	DCFS	DJJ	DLE	DOC	DOE[2]	Total	State	Federal
Mental Health									
Emergency Stabilization	$ -	$ 92,091,061	$ -	$ -	$ 3,507,661	$ -	$ 95,598,722	$ 85,132,584	$ 10,466,138
Residential Care		82,818,319	8,142,848				90,961,167	83,960,676	7,000,491
Case Management		25,104,574	2,035,713				27,140,287	18,371,660	8,768,627
Outpatient Services		59,214,549			39,146,282		98,360,831	87,496,082	10,864,749
Community Support Services		39,226,199					39,226,199	28,554,363	10,671,836
Assertive Community Treatment Teams		35,878,394					35,878,394	25,369,900	10,508,494
Juvenile Restoration Support		6,062,772					6,062,772	6,062,772	
Forensic Treatment		106,819,231					106,819,231	99,753,641	7,065,590
Civil Treatment		175,433,486					175,433,486	119,782,109	55,651,377
Other[1]	794,074,965	44,219,418			103,749	1,837,058	840,235,190	353,465,104	486,770,086
Total	794,074,965	666,868,003	10,178,561	-	42,757,692	1,837,058	1,515,716,279	907,948,891	607,767,388
Substance Abuse									
Prevention/ Education	-	28,769,608	1,104,490	5,406,208	-	-	35,280,306	557,705	34,722,601
Treatment		129,607,710	3,865,715	1,508,229	29,200,285		164,181,939	62,750,671	101,431,268
Enforcement		26,377,900	552,245	2,218,616			29,148,761	9,392,592	19,756,169
Other[1]		9,491,824		419,576	722,366		10,633,766	2,788,602	7,845,164
Total	-	194,247,042	5,522,450	9,552,629	29,922,651	-	239,244,772	75,489,570	163,755,202
Total Mental Health and Substance Abuse	**$794,074,965**	**$861,115,045**	**$15,701,011**	**$9,552,629**	**$72,680,343**	**$1,837,058**	**$1,754,961,051**	**$983,438,461**	**$771,522,590**
State	$320,588,661	$584,697,413	$ 9,079,181	$ -	$68,594,502	$ 478,704	$983,438,461		
Federal	$473,486,304	$276,417,632	$ 6,621,830	$9,552,629	$ 4,085,841	$1,358,354	$771,522,590		

[1] Includes administrative costs and amounts that agencies were not able to identify by type of service. AHCA's amount represents payments to medical providers.

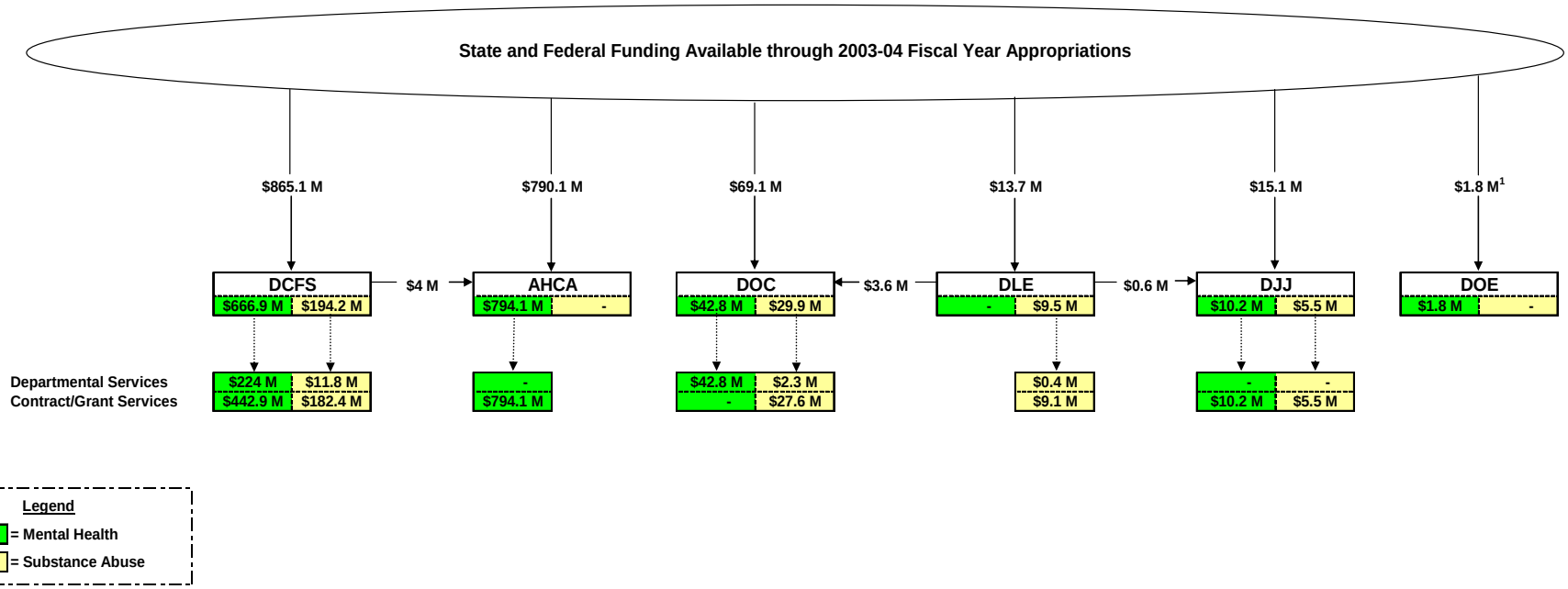
[2] DOE identified additional appropriations used for Safe Schools and Exceptional Student Education programs that are provided to district school boards, but was not able to identify portion that may be attributed specifically for mental health and substance abuse.

Source: Compiled from agency-provided information by the Office of the Auditor General.

Appendix B

Allocation of Substance Abuse and Mental Health Funding Fiscal Year 2003-04

The diagram below shows funding by department or contracted services, as well as funding transfers between agencies, for those state agencies that provide or fund substance abuse and mental health services. Funding is based upon appropriations for Fiscal Year 2003-04.



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Appendix C

Jeb Bush
Governor

Lucy D. Hadi
Secretary

February 8, 2005

Mr. Gary VanLandingham
Interim Director
Office of Program Policy Analysis and
Government Accountability
111 West Madison Street, Room 312
Tallahassee, Florida 32399-1475

Dear Mr. VanLandingham:

Thank you for your recent letter providing the preliminary findings and recommendations of your audit entitled "Centralizing DCF Substance Abuse and Mental Health Programs Provides Benefits But Also Challenges."

Enclosed is our response to the findings and recommendations. The department wishes to express appreciation to the research team for the report. We find the recommendations useful and will continue to work with your staff as we implement them. If your staff has any additional questions, please have them call Ken DeCerchio, Acting Deputy Secretary for Substance Abuse and Mental health, at (850) 414-9063.

Sincerely,

/s/
Lucy D. Hadi
Secretary

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
RESPONSE TO OPPAGA REPORT ON
CENTRALIZING DCF SUBSTANCE ABUSE AND MENTAL HEALTH
PROGRAMS PROVIDES BENEFITS BUT ALSO CHALLENGES

Recommendation: *Ensure that contract monitors have substance abuse or mental health experience so they can review service quality* as *well* as *administrative issues.*

- The department concurs. We believe that it is essential that contract monitors tasked with monitoring substance abuse and mental health provider agencies have substance abuse and mental health experience. The department is undergoing a substantial re-tasking of contract administration, management and monitoring. This recommendation will be considered as part of that activity.

Recommendation: *Inform other state agencies of its new structure to facilitate communication and coordination of services for clients.*

- The department concurs. We have informed other state agencies of the department's change in the role of the Substance Abuse and Mental Health Programs, specifically the Department of Education, Department of Health, and the Department of Juvenile Justice.

Recommendation: *Maintain close working relationships with other department programs, providers, and advocacy groups.*

- The department concurs. These programs continue to be inter-related to other program areas such as Child Welfare, and functional areas such as Budget, Revenue Management, Legal, Contract Administration, and Human Resources to meet its statutory and programmatic obligations. The reference in the report to the Substance Abuse and Mental Health Programs being an "agency within an agency" does not reflect how the Substance Abuse and Mental Health Programs function. This comment may be interpreted as Substance Abuse and Mental Health having sufficient personnel and staffing expertise to meet this expectation.

Recommendation: *Revise memoranda* of *agreement with zone managers to reflect the administrative changes in the department brought about by moving from districts to zones.*

- The department concurs. The district/zone Memoranda of Agreement are currently under development and will be executed after the Substance Abuse and Mental Health Programs complete realignment of functions to accommodate reduced personnel and the zone structure.

In addition, please consider the following comments regarding the report.

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
RESPONSE TO OPPAGA REPORT ON
CENTRALIZING DCF SUBSTANCE ABUSE AND MENTAL HEALTH
PROGRAMS PROVIDES BENEFITS BUT ALSO CHALLENGES

- The Background section of the report would be more reflective of program activities if it referenced the programs' efforts at increasing federal revenues through the submission of direct federal grants. Substance abuse treatment and prevention services have been expanded and improved through the successful acquisition of additional federal funds.

  In reference to the description of full-time equivalent positions, the department reversed the loss of twenty of these positions through a Legislative Budget Commission action in October 2004. The positions are restored in the Governor's Recommended Budget for state fiscal year 2005-2006.

- The Substance Abuse and Mental Health Programs have initiated actions that would result in a consolidation and alignment of certain key functions such as data, budget and contract management and operations to more closely mirror the department's zone structure. This action was necessary largely because of the position reduction referenced in the report.

- A critical omission from this report is any substantive discussion of the Substance Abuse Program's role in program regulation, specifically licensure. The program is responsible for the licensure of public and private substance abuse agencies and providers. This function is a fundamental role of the program and is dependent on a combination of FTE's and OPS personnel to conduct.

- The department is concerned with the reference to expanding the use of managing entities as a way to operate the program with fewer state employees. The movement to managing entities is primarily to improve efficiencies, make wiser use of local resources, and improve access and continuity of service at the community level, not to accommodate the loss of personnel. Our recent experiences have proven that as more and more functions are out-sourced, a strong cadre of staff with programmatic and contract experience is needed to ensure appropriate levels of service delivery. The contracting of services through managing entities may or may not result in further reduction of personnel, but a realignment of their functions and activities. Most managing entity functions, such as developing clinical pathways for the local system of care and coordinating access to services across network providers, are not currently being done. We have transferred district/region OPS funding to managing entities for specific functions that were being assumed by managing entities.