

M00K
Alcohol and Drug Abuse Administration
Department of Health and Mental Hygiene

Operating Budget Data

(\$ in Thousands)

	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Working</u>	<u>FY 06</u> <u>Allowance</u>	<u>FY 05-06</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$75,092	\$79,173	\$78,133	(\$1,040)	(1.3%)
Special Fund	18,185	17,811	17,864	54	0.3%
Federal Fund	34,376	32,804	32,784	(20)	(0.1%)
Reimbursable Fund	<u>3,374</u>	<u>3,422</u>	<u>3,363</u>	<u>(59)</u>	<u>(1.7%)</u>
Total Funds	\$131,027	\$133,209	\$132,144	(\$1,065)	(0.8%)
Contingent & Back of Bill Reductions			(18)	(18)	
Adjusted Total	\$131,027	\$133,209	\$132,125	(\$1,084)	(0.8%)

- The Governor's proposed budget reduces funds for substance abuse prevention services by \$1.0 million.

Personnel Data

	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Working</u>	<u>FY 06</u> <u>Allowance</u>	<u>FY 05-06</u> <u>Change</u>
Regular Positions	51.50	49.50	49.50	0.00
Contractual FTEs	<u>2.46</u>	<u>3.17</u>	<u>3.17</u>	<u>0.00</u>
Total Personnel	53.96	52.67	52.67	0.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	2.97	6.00%
Positions Vacant as of 12/31/04	6.00	12.12%

- Two filled administrator positions were abolished in fiscal 2005 as part of a statewide effort to contain the growth in the State workforce.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Major Trends

Successful Completion of Treatment Varies by Modality: According to the Alcohol and Drug Abuse Administration (ADAA), 46% of patients complete treatment or are referred to another level of care.

Issues

Public Substance Abuse Treatment System Lacks Integration: Substance abuse treatment services are provided by several State departments and agencies. Lack of coordination among agencies continues to undermine the effectiveness of the public treatment system.

Progress in Integrating Child Welfare and Treatment Services Undetermined: The Integration of Child Welfare and Substance Abuse Treatment Program, established in Chapter 551, Acts of 2000, has been implemented on a limited basis. Data necessary to evaluate the effectiveness of the program are not available.

University Contracts Provide Ongoing Professional Support: ADAA contracts with the University of Maryland Bureau of Governmental Research for administrative support services, significantly increasing the size of the administration's workforce.

Recommended Actions

	<u>Funds</u>
1. Add language authorizing the creation of 19 full-time equivalent positions.	
2. Add language requiring funds to be used for an independent evaluation of the Integration of Child Welfare and Substance Abuse Treatment.	
3. Reduce funds for special projects staff.	\$ 78,205
Total Reductions	\$ 78,205

Updates

Local Drug and Alcohol Abuse Councils Aid in Planning: Chapters 237 and 238, Acts of 2004 established local drug and alcohol abuse councils to promote comprehensive planning for education, prevention, and treatment services.

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Operating Budget Analysis

Program Description

The Alcohol and Drug Abuse Administration (ADAA) develops and operates unified programs for substance abuse research, training, prevention, and rehabilitation in cooperation with federal, State, local, and private agencies. The mission of this administration is to plan and develop services to prevent harmful involvement with alcohol and other drugs and to treat the illness of chemical addiction in the State of Maryland.

ADAA maintains an integrated statewide service delivery system through a variety of treatment and prevention modalities that provide financial and geographic access to all Marylanders who need help with drug and alcohol addiction. Treatment is funded through grants to private and nonprofit providers and local health departments. Maryland's community-based addictions treatment programs include (1) primary and emergency care; (2) intermediate care facilities; (3) halfway houses and long-term programs; (4) outpatient care; and (5) prevention programs.

Performance Analysis: Managing for Results

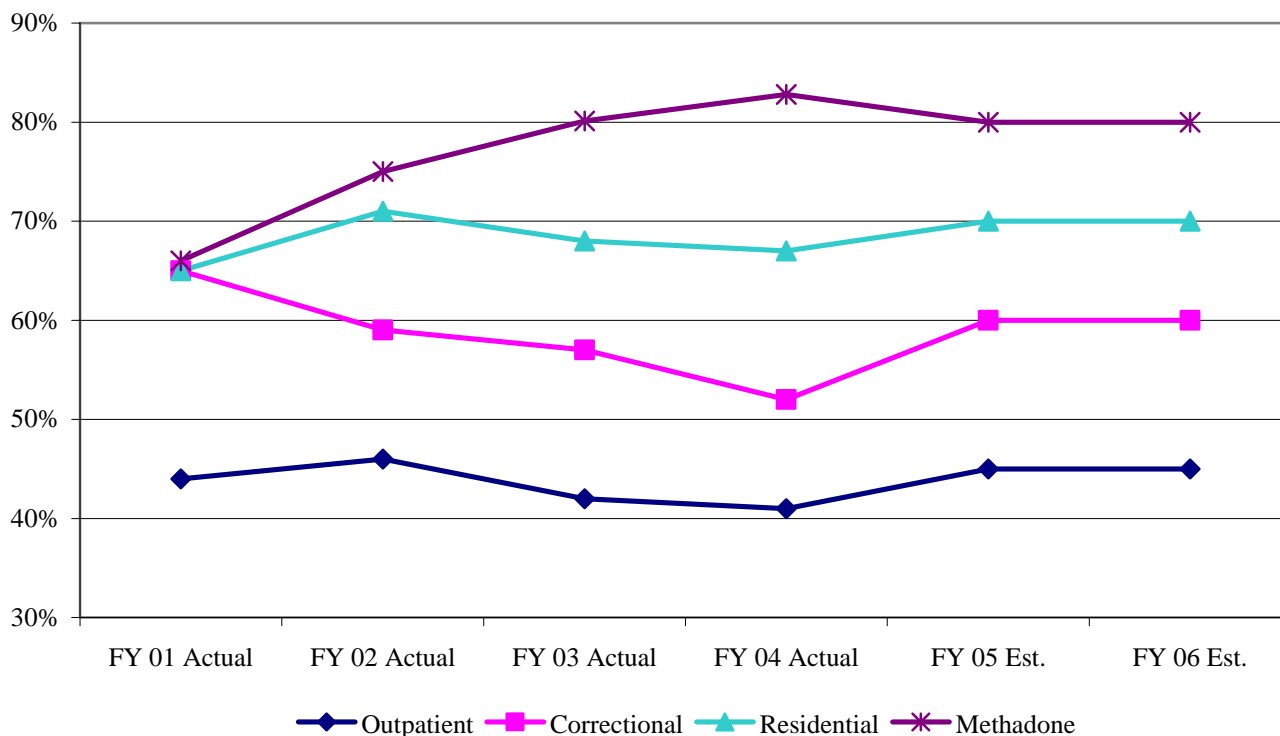
In addition to reducing substance use, ADAA reports that treatment positively impacts several other measures of well-being, including rates of employment, criminal activity, and homelessness. Depending on individual needs, one or several forms of treatment may be provided for a single treatment episode. Treatment modalities include:

- ***Methadone Maintenance:*** These services combine medically-supervised administration of methadone with limited outpatient treatment for those addicted to opiates. The average length of treatment for this course of treatment is nearly two years for ADAA-funded programs.
- ***Residential Treatment:*** This includes treatment in an intermediate care facility or other continuous care environment. These programs generally include both a medical and a clinical component. Research suggests that those individuals receiving 90 or more days of treatment are more likely to be successfully discharged from the program. Average length of stay in ADAA residential programs is 150 days.
- ***Correctional Programs:*** These programs make treatment available to incarcerated individuals on site at a prison or detention center. Half of referrals to correctional programs are voluntary; compulsory referrals originate primarily from the Division of Parole and Probation.
- ***Outpatient Services:*** These are non-residential services providing assessment, diagnosis, treatment, and rehabilitation to addicted individuals and their families. More than half of the individuals receiving treatment through ADAA participate in outpatient treatment.

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The data in **Exhibit 1** show the difference in successful completion rates by modality. Overall, the administration reports that 46% of patients complete treatment or are referred to another level of care.

Exhibit 1
Successful Completion by Treatment Modality
Fiscal 2001 – 2006



Source: Maryland Operating Budget

Governor's Proposed Budget

The allowance for ADAA decreases \$1.1 million in fiscal 2006, a reduction of 1% from the fiscal 2005 working appropriation. Changes are detailed in **Exhibit 2**. The majority of the decrease is attributable to planned reductions to prevention services, offset by smaller increases in funding for data management systems.

Exhibit 2
Governor's Proposed Budget
Alcohol and Drug Abuse Administration
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimbursable Fund</u>	<u>Total</u>
2005 Working Appropriation	\$79,173	\$17,811	\$32,804	\$3,422	\$133,209
2006 Governor's Allowance	78,133	17,864	32,784	3,363	132,144
Contingent & Back of Bill Reductions	-15	0	-4	0	-18
Adjusted Allowance	<u>78,118</u>	<u>17,864</u>	<u>32,780</u>	<u>3,363</u>	<u>132,125</u>
Amount Change	-\$1,055	\$54	-\$24	-\$59	-\$1,084
Percent Change	-1.3%	0.3%	-0.1%	-1.7%	-0.8%

Where It Goes:

Personnel Expenses

Increments and other compensation	\$60
Contributions to employee retirement system.....	25
Increase in turnover expectancy	-84
Employee and retiree health insurance.....	-84
Other adjustments.....	-7

Other Changes

Expand data systems to provide additional outcome measurement	320
Contractual staff support from Bureau of Governmental Research	69
Cigarette Restitution Funds for treatment services contracts	45
Residential training seminar at Salisbury University	27
Substance Abuse Treatment Outcomes Partnership.....	24
Anticipated increase in returned grant funds.....	23
Expiration of federal funds for web-based data management system.....	-100
Statewide contracts for treatment services	-159
Substance Abuse Prevention and Treatment funds for treatment contracts	-247
Reduction in prevention funding.....	-1,000
Other operating changes.....	4
Total	-1,084

Note: Numbers may not sum to total due to rounding.

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Personnel Expenses

The inclusion of increments in the Governor's proposed budget increases the administration's budget by approximately \$60,000, with an additional \$24,735 for contributions to the employee retirement system. These increases are offset by a reduction of \$84,635 for health insurance expenses; the reduction was made to more closely align this item with actual expenditures in previous years. An expected increase in turnover reduces the administration's budget by an additional \$84,257.

Prevention and Treatment Services

Several reductions will affect the availability of services in fiscal 2006. The most significant impact will result from a \$1.0 million reduction in prevention funding. This reduction may not be possible as the federal government requires the commitment of State funds equivalent to 20% of the federal Substance Abuse Prevention and Treatment block grant to be dedicated to prevention. To meet maintenance of effort requirements, the administration may instead make the reduction in statewide contracts for treatment services, where the competitive bidding process has reduced the cost of providing treatment.

Funds available to the administration for treatment services from the federal Substance Abuse Prevention and Treatment block grant are expected to decline by \$0.2 million in fiscal 2006. In addition, statewide contracts for treatment services are reduced \$0.2 million in the fiscal 2006 allowance due to reductions in costs for treatment. These reductions are partially offset with increases in the Substance Abuse Treatment Outcomes Partnership and availability of Cigarette Restitution Funds for treatment services.

Data Management Systems

The fiscal 2006 allowance for ADAA provides \$0.3 million in general and federal funds to continue improvements to the administration's data management systems: HATTS and eSAMIS. Expansion of the HATTS module will allow treatment providers to fully record patient activity, allowing for more complete program measurement data. Improvements to eSAMIS will allow the administration to meet additional federal reporting requirements as well as expand reporting of placement and admission data. Additional staff from the University of Maryland Bureau of Governmental Research will support these improvements. These increases are offset by a \$0.1 million reduction in funds for web-based data management as a result of the expiration of a federal grant for this purpose.

Impact of Cost Containment

The fiscal 2006 allowance reflects the elimination of \$18,414, the appropriation for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in budget reconciliation legislation.

Issues

1. Public Substance Abuse Treatment System Lacks Integration

The publicly funded substance abuse treatment system has received increased attention in recent years for its potential to improve a variety of social outcomes. Significant funding increases have been committed to the system with the intent of improving the overall health and well-being of Maryland citizens while reducing criminal activity and increasing rates of employment.

Funding for ADAA, the primary provider of treatment services, increased 78% from fiscal 2000 to 2006 (\$74 million to \$132 million), and more people are being treated (44,955 in fiscal 2000 compared to an estimated 61,484 in fiscal 2006). The number treated has not increased at the same rate as increases in funding, owing to several factors: significant increases in the cost of certain treatment modalities, increases in the length of time in treatment, and inconsistencies in fiscal 2000 data reported by ADAA.

Although funding has increased significantly, new resources have been applied to an outdated treatment model. Treatment still varies by point of access, whether it is the criminal justice system, the mental health system, or the local health department. Treatment also varies by jurisdiction, with each of the State's 24 health departments designing and implementing its own treatment system.

Significant problems have developed in the treatment system, many related to agency and service coordination. In many cases, recent growth has exacerbated existing problems as a relatively static set of internal resources has been spread among a growing set of programs. Foremost among concerns remains the fragmentation of the treatment system. The current budget structure encourages each of the eight State agencies that provide substance abuse treatment to operate independently, even though an individual may access services from multiple agencies over the course of a treatment episode.¹ This fragmentation reduces comprehensive oversight, making it difficult to assess precisely what the State is buying with treatment funds.

The fragmentation of the treatment system has created or exacerbated problems in the delivery of substance abuse treatment. These concerns include the following.

Co-occurring Conditions Receive Inadequate Attention

Common among individuals seeking treatment from the publicly funded system are conditions which affect the course and likely success of treatment. These include homelessness, lack of medical care, chronic medical conditions, or a long history of substance abuse. Often these contributing factors are not addressed. Alternatively, when they are, it is often independent of the treatment

¹Agencies with responsibility for substance abuse treatment include the Alcohol and Drug Abuse Administration, the Mental Hygiene Administration, the Medical Care Programs Administration, and the AIDS Administration within the Department of Health and Mental Hygiene; the Department of Human Resources; the Department of Juvenile Services; and the Divisions of Correction and Parole and Probation within the Department of Public Safety and Correctional Services.

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program. Nowhere is the divide more evident than in the diagnosis and treatment of those individuals with concurrent mental illness and substance dependence.

Treatment for this population in the publicly funded system is largely determined by an individual's point of access to the system and the severity of the mental illness. Most dually diagnosed individuals receive substance abuse treatment by entering the mental health system; an estimated 80% of those dually diagnosed are treated by the Mental Hygiene Administration (MHA), straining existing resources in that system. In addition, those with severe mental illness are most often treated by MHA, regardless of the severity of their addiction.

Diagnosis and appropriate care of individuals with co-occurring disorders is complicated by the lack of standard assessment and treatment protocols. There is no single standard evaluation conducted of individuals entering the mental health or the treatment systems. In addition, providers are often not trained in evaluation and treatment of both disorders, making care responsive to both disorders scarce.

Gender-Specific Treatment Is Largely Unavailable

Women comprise approximately one-third of treatment admissions in Maryland, mirroring national treatment admission rates. Women admitted to ADAA programs are more likely than men to abuse multiple substances, suffer from mental illness, have dependent children, and be unemployed. These factors contribute to a reduced likelihood that a woman entering the system will complete treatment.

Research suggests that gender-specific treatment programs contribute to retention in, and completion of, treatment. These programs are designed specifically to address issues that disproportionately affect women, such as domestic violence and sexual abuse, as well as to provide services to encourage retention, such as child care. Research suggests that such programs are correlated with improved treatment outcomes, such as lower rates of relapse, increased job stability, and maintenance of child custody.

Several programs operated jointly by the Department of Human Resources (DHR) and ADAA are designed specifically to identify women and families in need of treatment. These programs have increased the demand for treatment slots for women with children, often leading to waiting lists for these slots. Waiting times vary by need and jurisdiction. Encouraging providers to create more capacity for women and their children would contribute to improved outcomes for these programs and for women generally.

Program Implementation Is Not Integrated

Several programs established by the General Assembly attempt to improve access to substance abuse treatment for women and families in need. These programs, implemented jointly by DHR and ADAA, include the Substance Abuse Treatment and Services Program, designed to identify and provide treatment for Temporary Cash Assistance adults and certain food stamp recipients, and the Integration of Child Welfare and Substance Abuse Treatment Services Program, which attempts to identify and treat substance using adults in homes with vulnerable children. These programs rely on

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training of existing personnel and additional addictions counselors to identify and refer clients to treatment. Although there is significant overlap in the clients served and services provided, these are administered as separate programs, in accordance with State law.

Distinctions among programs present additional concerns at the clinical level. The programs mentioned above, along with the Drug Exposed Infants Program, another collaborative effort between DHR and ADAA, each purchase slots for individuals referred by their programs. Even though there is significant overlap in the constituencies for these three programs, slots are purchased and managed separately, creating inefficiencies in resource management. An individual in need of treatment may have to wait for a treatment slot specifically reserved for that program, even when vacancies exist elsewhere. The restrictions on these treatment programs make it more difficult to place an individual in the appropriate level of treatment in a timely manner. These programs may be able to make progress toward treatment on demand, increasing enrollment in treatment, if some of the administrative barriers that separate programs were eliminated and funding streams were consolidated.

Local Programs Vary Widely in Services Offered

Each of the State's 24 jurisdictions designs its own substance abuse treatment model. Often, the treatment options available in a given jurisdiction are based on how services have been provided historically. ADAA has increased the availability of technical assistance, improving local health departments' access to best practices suggested by the scientific literature; however, treatment gaps remain. Certain jurisdictions provide limited treatment options, reducing the probability that an individual in need of treatment will receive the appropriate level of care. In many instances, jurisdictions are still learning to anticipate demand and use outcome data to develop a comprehensive treatment model.

Chapters 237 and 238, Acts of 2004 established local drug and alcohol councils, including representatives of health, social services, criminal justice, and education interests to develop a plan for meeting the local need for drug abuse evaluation, prevention, and treatment services. This new administrative structure provides localities with an opportunity to reassess currently offered options and will require submission of a strategic plan for providing treatment. Local plans, due in July 2005, will provide ADAA with additional opportunities to provide input into local processes.

Data Sharing Is Limited Across Agencies

ADAA recently implemented the eSAMIS program, a web-based data management system to assist in case management, collection of admission and discharge data, and access to treatment availability data. All treatment providers are now required to report admission and discharge data electronically. With this system, ADAA has improved its ability to provide timely individual and aggregate data.

Despite these improvements, data sharing among agencies remains minimal. DHR, which operates several programs in collaboration with ADAA, currently receives aggregate program data but does not receive individual treatment statistics. This closed feedback loop does not allow the department to sanction those who do not complete treatment, as required by law, and reduces

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accountability among agencies. It also reduces the input that DHR staff have in program or clinical treatment decisions related to their clients.

Looking Forward

An integrated treatment system that addresses the concerns raised above has the potential to increase access to treatment, improve outcomes, and create administrative efficiencies. It would also facilitate evaluation of the effectiveness of State-supported treatment. The disparate elements of the current system make it difficult to provide a single answer to the question of what the State is buying with substance abuse treatment funding. A State Drug and Alcohol Council, established by executive order in July 2004 to promote coordination among State programs, local health systems, and private providers of substance abuse treatment, has the potential to provide oversight to a heterogeneous system, with the effect of increasing accountability among agencies, the Administration, and the General Assembly.

As the General Assembly continues to oversee funding for the publicly funded substance abuse treatment system, attention should focus on policies designed to decrease fragmentation and coordinate oversight. Specific areas in need of improvement include coordinating services for individuals with co-occurring disorders and encouraging providers to increase capacity for women and their children. In addition, possible programmatic improvements involve eliminating administrative barriers that separate treatment programs, establishing effective and accountable local plans, and improving data sharing among State agencies. Such improvements should result in cost savings and could allow the dedication of savings to areas of the substance abuse system which have not received the increases available for treatment, including prevention and evaluation.

The administration should comment on methods to improve coordination among departments providing substance abuse treatment services.

2. Progress in Integrating Child Welfare and Treatment Services Undetermined

The Integration of Child Welfare and Substance Abuse Treatment Act, established in Chapter 551, Acts of 2000, was designed to improve the provision of substance abuse treatment services to parents in the child welfare system. The program, operated jointly by DHR and the Department of Health and Mental Hygiene (DHMH), places addictions specialists in social service offices to assess the treatment needs of parents with children entering out-of-home placements.

The Act called for a comprehensive statewide program with addictions specialists placed in all child welfare offices. With funding significantly below amounts intended in the legislation, the departments implemented the program on a trial basis in fiscal 2002 with the hiring of seven addictions specialists in Baltimore City and two addictions specialists in Prince George's County. Funding has remained relatively stable since that time at \$2.3 million, which provides for addictions counselors, assessment, and substance abuse treatment in the two targeted jurisdictions.

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The legislation further requires the departments to submit annual reports to the budget and policy committees that include a report on progress and an assessment of remaining need. The last report submitted by the departments, dated January 15, 2003, includes the data in **Exhibit 3**. Similar data reported in ADAA's Managing for Results submission indicates that only 14% of child welfare clients placed in treatment successfully completed the prescribed treatment program in fiscal 2002, far below completion rates for other treatment programs. Data reported by ADAA indicate average completion rates of 45% to 75% in other programs, depending on treatment modality.

Fiscal 2002 data, the last year for which actual data are available, reflect low rates of participation in and completion of recommended treatment programs. An independent results-based evaluation, which the legislation required by December 2004, is not available as the required funding was deleted in 2003.

Exhibit 3
Referrals from Child Welfare
Fiscal 2002

	<u>Baltimore City</u>	<u>Prince George's County</u>	<u>Total</u>
Referred for assessment	76	113	189
Received assessment	58	53	111
Referred to treatment	48	50	98
Entered treatment	34	32	66

Source: Department of Health and Mental Hygiene; Department of Human Resources

The administration should comment on the lack of data supporting the Integration of Child Welfare and Substance Abuse Treatment.

3. University Contracts Provide Ongoing Professional Support

ADAA contracts with the University of Maryland Bureau of Governmental Research (BGR) for a variety of technological and administrative support services. BGR has been a critical component of ADAA's efforts to expand data management capabilities; these contracts have allowed for the development and ongoing maintenance of data systems including HATTS and eSAMIS. BGR contract staff have also provided a variety of administrative support services, many related to analysis of data obtained through the new data systems.

Administrative support functions assumed by BGR employees are listed in **Exhibit 4**. ADAA has noted that the number of BGR contract positions reflects the ongoing development of data management systems and the inability to recruit and retain qualified contractual State employees.

Exhibit 4
BGR Administrative Support Contracts
Fiscal 2006

<u>Positions</u>	<u>Job Description</u>	<u>Cost of Contract</u>
7	Analysis and technical assistance related to HATTS data	\$394,610
4	Case management	232,819
4	Tobacco inspections	192,857
2	Data interpretation	119,026
1	Criminal justice case management	64,158
<u>1</u>	Process local information technology proposals	<u>\$52,297</u>
19		\$1,055,767

Source: Department of Health and Mental Hygiene

BGR is able to offer a benefit package to its employees not available to contractual State employees, aiding in recruitment and retention. These employees work on site at ADAA to provide services alongside State employees, both regular and contractual. The nature of these positions indicates a long-term need for these positions as the administration increasingly focuses on an information-driven, prospective planning model of providing services.

The value of contracts with BGR totals \$2.5 million in fiscal 2006: \$1.4 million for maintenance of data management infrastructure and \$1.1 million for administrative support services. Two concerns arise from the contract for administrative support services:

- There is a lack of transparency in the contracts with BGR. The 19 employees in administrative support positions are not included in official administration position counts. The addition of these positions mitigates efforts to assess and contain the number of employees in the State workforce. As ADAA has abolished State positions, the administration has continued to add BGR contract personnel to its workforce.
- The administration pays an 8% premium on administrative support contracts with BGR. Although this is a competitive rate for contracts of this sort, it is an unnecessary State expense. The administrative premium on fiscal 2006 administrative support contracts totals \$78,205.

To allow for greater transparency in the administration's operations and recognize the long-term need for staff support and technical assistance, the administration should create full-time State positions equivalent to the number of BGR contract employees. This action will produce cost savings and more accurately reflect the true size of the State workforce. **The Department of Legislative Services recommends the administration create up to 19 full-time equivalent State positions, with first consideration for employment granted to current BGR employees.**

Recommended Actions

1. Add the following language:

Provided that, notwithstanding any other provision of this bill, the Alcohol and Drug Abuse Administration may create up to 19 full-time equivalent regular positions in lieu of contracting with the University of Maryland Bureau of Governmental Research for the provision of professional support. In filling these positions, it is the intent of the General Assembly that priority be given to persons presently employed under the administration's current contract with the University of Maryland Bureau of Governmental Research.

Explanation: The Alcohol and Drug Abuse Administration (ADAA) contracts with the University of Maryland Bureau of Governmental Research (BGR) for professional support. These employees work on site, performing tasks similar to those of full-time equivalent State employees. This language authorizes ADAA to create up to 19 positions and expresses legislative intent that current BGR employees under contract to ADAA be given first consideration for full-time employment.

2. Add the following language to the general fund appropriation:

, provided that \$250,000 of this appropriation intended for the Integration of Child Welfare and Substance Abuse Treatment shall not be expended for that purpose and may only be used for an independent results-based evaluation of the program.

Explanation: The Integration of Child Welfare and Substance Abuse Treatment program, established by Chapter 551, Acts of 2000, has been operating in two pilot areas since fiscal 2002. Annual reports required by the legislation have not been submitted, compromising efforts to determine the results of the program. An independent evaluation of the program, required in fiscal 2004, was not conducted due to lack of funds. This language requires a certain amount of program funds to be dedicated to an evaluation of the program in fiscal 2006 to determine program efficacy in the pilot areas.

- | | <u>Amount
Reduction</u> | |
|--|------------------------------------|----|
| 3. Reduce funds for special projects staff currently employed by the University of Maryland Bureau of Governmental Research (BGR). Proposed budget bill language would make full-time equivalent State positions available to those currently working at the Alcohol and Drug Abuse Administration under a | \$ 78,205 | GF |

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contract with BGR. This action reduces funds for these positions by the amount of administrative overhead currently charged by BGR.

Total General Fund Reductions **\$ 78,205**

Updates

1. Local Drug and Alcohol Abuse Councils Aid in Planning

Chapters 237 and 238, Acts of 2004 provided for several substantive changes to the public substance abuse treatment system. The legislation allowed the State's Attorney discretion in recommending substance abuse treatment as an alternative to incarceration for non-violent offenders and provided for additional treatment services for parolees. The legislation also modified the process by which a criminal defendant is referred to DHMH for evaluation. It was the intent that these changes would increase access to treatment for addicted individuals and reduce the rate of recidivism.

In addition to reforming diversion processes, the legislation established local drug and alcohol abuse councils in each of the State's 24 jurisdictions. Councils are supported with disbursements from the Maryland Substance Abuse Fund, consisting of fees collected from defendants referred to treatment by the court system. The councils, which include representatives of health, education, public safety, and local government interests, were established to promote comprehensive planning for local substance abuse treatment and prevention funding. Beginning July 1, 2005, and every two years after, local councils are required to submit to DHMH a local plan that includes the strategies and priorities of the jurisdiction in meeting identified treatment and prevention needs. The plan is also required to include a survey of all federal, State, local, and private resources available to the jurisdiction in meeting its goals. All requests for treatment funds must be submitted to local councils for consideration before an application is made to the State.

Local councils are part of an effort by ADAA to increase prospective planning for substance abuse treatment and prevention. The administration has redesigned its grant application process to require greater accountability in the financing and performance of local programs. Administration staff are providing additional technical assistance to ensure that local programs maximize available resources, using available data to support program expansion based on need and effectiveness. Local drug and alcohol councils will complement this model by involving representatives of the public and other State agencies in the planning effort.

Current and Prior Year Budgets

Current and Prior Year Budgets Alcohol and Drug Abuse Administration (\$ in Thousands)

Fiscal 2004	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Legislative Appropriation	\$77,803	\$17,514	\$31,037	\$3,422	\$129,776
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	1,344	670	3,438	4	5,457
Cost Containment	-4,055	0	0	0	-4,055
Reversions and Cancellations	0	0	-100	-52	-152
Actual Expenditures	\$75,092	\$18,185	\$34,376	\$3,374	\$131,027
Fiscal 2005					
Legislative Appropriation	\$79,408	\$17,811	\$32,804	\$3,422	\$133,445
Budget Amendments	-235	0	0	0	-235
Working Appropriation	\$79,173	\$17,811	\$32,804	\$3,422	\$133,209

Note: Numbers may not sum to total due to rounding.

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Fiscal 2004

The general fund appropriation increased \$1.3 million to cover the increased cost of substance abuse treatment services, with a small amount of additional funds dedicated to realigning health insurance and telecommunications expenditures among departmental units. Increases were offset by \$4.1 million in cost containment reductions. Savings were achieved with an increase in federal fund attainment, postponing expansion of certain treatment facilities, and reducing awards to counties that had previously reverted funds.

The special fund appropriation increased \$0.7 million to recognize returned grant funds. Funds were redistributed to cover the cost of outstanding prior year contracts.

The federal fund appropriation increased \$3.4 million. Of that amount, \$2.7 million represented an increase in block grant funding for substance abuse treatment services. Also included was \$0.5 million to develop and maintain the Disaster Relief Automated Network and \$0.2 million to develop a data management system to track clients and outcomes.

Fiscal 2005

The general fund appropriation was increased to recognize the fiscal 2005 cost-of-living adjustment, offset by a reduction to realign funds among departmental units to accurately reflect position cap reductions.

Audit Findings

Audit Period for Last Audit:	April 12, 2000 – January 22, 2003
Issue Date:	July 2003
Number of Findings:	3
Number of Repeat Findings:	2
% of Repeat Findings:	67%
Rating: (if applicable)	N/A

Finding 1: ADAA did not adequately monitor substance abuse treatment grants to ensure appropriate services were rendered by providers.

Finding 2: ADAA did not evaluate the success and effectiveness of the State's privately funded alcohol and drug abuse treatment programs as required by law.

Finding 3: ADAA had not established adequate control over collections.

*Bold denotes item repeated in full or part from preceding audit report.

**Object/Fund Difference Report
DHMH Alcohol and Drug Abuse Administration**

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	51.50	49.50	49.50	0	0%
02 Contractual	2.46	3.17	3.17	0	0%
Total Positions	53.96	52.67	52.67	0	0%
Objects					
01 Salaries and Wages	\$ 3,058,961	\$ 3,176,214	\$ 3,103,124	-\$ 73,090	-2.3%
02 Technical & Spec Fees	96,300	103,129	103,810	681	0.7%
03 Communication	23,526	23,726	25,376	1,650	7.0%
04 Travel	69,808	85,785	89,321	3,536	4.1%
07 Motor Vehicles	2,574	6,164	6,477	313	5.1%
08 Contractual Services	127,693,982	129,737,651	128,738,004	-999,647	-0.8%
09 Supplies & Materials	46,958	56,562	57,923	1,361	2.4%
11 Equip - Additional	16,636	0	0	0	0.0%
13 Fixed Charges	17,809	19,980	19,837	-143	-0.7%
Total Objects	\$ 131,026,554	\$ 133,209,211	\$ 132,143,872	-\$ 1,065,339	-0.8%
Funds					
01 General Fund	\$ 75,092,116	\$ 79,172,883	\$ 78,132,883	-\$ 1,040,000	-1.3%
03 Special Fund	18,184,595	17,810,510	17,864,122	53,612	0.3%
05 Federal Fund	34,375,767	32,803,690	32,783,772	-19,918	-0.1%
09 Reimbursable Fund	3,374,076	3,422,128	3,363,095	-59,033	-1.7%
Total Funds	\$ 131,026,554	\$ 133,209,211	\$ 132,143,872	-\$ 1,065,339	-0.8%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.