



February 24, 2003

Joseph D. Faha
Director of Legislation
Substance Abuse and Mental Health Services Administration
5600 Fishers Lane, Room 12-95
Rockville, MD 20857

Dear Mr. Faha:

The National Association of State Mental Health Program Directors (NASMHPD) represents the \$23 billion public mental health service delivery system serving 4.6 million people annually in all 50 states, 4 territories, and the District of Columbia. On behalf of NASMHPD, we want to thank you for the opportunity to provide comments in connection with the development by the Substance Abuse and Mental Health Services Administration (SAMHSA) of a plan for implementing a performance partnership for administration of the Community Mental Health Services Block Grant (the "Block Grant"). NASMHPD strongly supports the transition to a performance partnership, and we are pleased to have worked closely with SAMHSA for many months to develop a common vision for our partnership.

INTRODUCTION

As described in the December 24, 2002 *Federal Register* Notice (FRN), the goals of the transition to a performance partnership are to move from an emphasis on requirements, earmarks, and accountability based on expenditures to a system that provides more flexibility in the expenditure of funds and bases accountability on state performance as measured by the appropriateness and the outcomes of services. We strongly support the principles for development of the performance partnership described in the FRN:

That the federal government and the states are partners in the provision of mental health services and that our shared goal is "continuous quality improvement";

That the states best understand the unique needs of the populations they serve and should be given more flexibility in the use of funds; and

That accountability should be based on performance.

We applaud SAMHSA's leadership and vision in proposing a new paradigm, not just for administering the Block Grant but also for a constructive, federal-state relationship focused on improving services for people with mental illnesses. We support the emphasis on data collection and analysis as a critical component of a meaningful partnership, and we look forward to ongoing collaboration with SAMHSA to

address critical issues related to the proposed performance measures, resources needed to implement the performance partnership, and the timing of implementation.

THE PERFORMANCE PARTNERSHIP

Historically, the Block Grant has played a critical role in the development and reform of state mental health service delivery systems. Although the Block Grant represents on average less than 2 percent of *resources controlled by* state mental health systems, this funding is frequently used to drive systems change and has served as an incentive for states to review and reinforce the comprehensive array of services needed to promote recovery in the community.

The FRN raises important issues about the structure of the Block Grant, including its continuing role as an impetus for progress and reform. NASMHPD will focus its comments in the following areas: (1) proposed performance measures; (2) flexibility in the Block Grant under a performance partnership; (3) resources needed to implement the performance partnership; and (4) how states will be expected to implement the new reporting requirements.

Proposed Performance Measures

NASMHPD has long identified the development of a reliable performance measurement system as a priority for state mental health agencies. Through the work of the NASMHPD President's Task Force on Performance Indicators and Outcomes Measures, NASMHPD in 1997 identified a framework of performance measures that became the basis for ongoing collaboration with SAMHSA, including several efforts to measure the feasibility of reporting on specific performance measures, the development of a proposed Uniform Reporting System, and efforts to field test specific measures on a voluntary basis with several states through the Data Infrastructure Grant (DIG) program.

NASMHPD members believe that federal initiatives to plan and coordinate such data collection efforts are critical components of an overall national public health strategy. Indeed, much of the strength of our national health care system is derived from the federal government's unparalleled surveillance system and its ability to collect, analyze, and disseminate health care data to prevent and control disease and illness. Doing so has allowed public health officials, health care professionals, and the general public, among other things, to document the nation's health status and monitor trends, identify health disparities in health status and health care access, formulate and evaluate prevention measures and interventions, and guide planning (in particular, resource allocation and policy development) and evaluate decisions at the national level. We are confident that the PPG and the development of uniform performance measures will improve the national public health surveillance system and enhance the federal government's ability to provide leadership in mental health policy.

We appreciate the opportunity to have consulted closely with SAMHSA in the development of the measures proposed in the FRN. Because much of the work related to identifying, operationalizing, and testing the feasibility of the performance measures described in the FRN is ongoing, we will not comment here about the merits or difficulties of implementing any particular proposed measure. However, we will comment on the overall goals of the performance partnership and the role of

performance measures in meeting those goals.

State mental health authorities have long been engaged in collecting, analyzing, and reporting data describing the activities and performance of the public mental health system. A review, conducted by NASMHPD in 2000 of all 59 annual state plans submitted to SAMHSA, confirmed that states have an enormous amount of information about who is served by their public mental health system, including the number of people served and the severity of their illnesses, the kinds of services they receive, the settings in which they receive services, and consumer satisfaction. ***A smaller but significant number of states are able to report outcomes, such as increases in independent living and employment rates among people with mental illnesses, reduced homelessness, improvements in client functioning, and use of new medications and medication algorithms, as well as to monitor adverse outcomes such as medication errors.*** In many states, the data reported in the state plan includes a baseline that permits SAMHSA to track progress and quality improvement over time within the states. Therefore, although NASMHPD shares SAMHSA's goal of "continuous quality improvement" and accountability and commits to using the performance measures and data requirements in the performance partnership to further that purpose, we stress that this goal can be achieved – and in many states is already being achieved – with existing data collection and reporting requirements.

Recommendation: That the Block Grant performance partnership plan that SAMHSA submits to Congress explains that state currently collect a broad range of public mental health data that serves as an excellent basis for ongoing accountability and quality improvement.

From the perspective of SAMHSA and other federal agencies, as well as Congress, a significant shortcoming of the available data is its variability or lack of uniformity across states. Because each state historically has collected and reported data based on its relevance to the state's own internal planning and quality improvement needs, states do not collect data on standardized system characteristics or performance measures. Even states that do collect data on the same measures may vary in how they define terms and about whom they collect data. For example, states collecting data on employment outcomes among people with mental illnesses may vary in terms of their definitions of employment, the characteristics of the population about which they are collecting data (age, severity of mental illness, etc.), and their methods of data collection. As a result, existing data provide an excellent picture of many state mental health systems, but are not very useful to SAMHSA in describing the public mental health system from a national perspective.

NASMHPD understands that in addition to being responsible for surveying mental health systems and measuring and evaluating our nation's capacity to treat mental illness, SAMHSA's need to justify the Block Grant program to Congress and the Administration by describing the program's performance and demonstrating the value and effectiveness of the Block Grant on a national level. The proposal to submit annual reports to Congress on the Block Grant, articulated in the FRN, underscores SAMHSA's need for uniform data. Just as state accountability for Block Grant funding depends on the state's ability to collect and report data specific to that state's programs, so too does SAMHSA's accountability for the Block Grant depend on its ability to collect and report data relevant to the overall program. In addition, we know from our own experience at the state level that consumers, family members, and advocates

must have access to uniform data to facilitate their ability to understand, quantify and assess the services provided by the public mental health system.

We support SAMHSA in its effort to collect and report uniform data to describe the public mental health system from a national perspective and to facilitate SAMHSA's accountability for Block Grant dollars. However, we observe that the strength and effectiveness of the Block Grant lie in its ability to provide a flexible but stable funding source to support the needs of individuals with mental illnesses and system priorities as defined by each state. Any performance measurement system adopted by SAMHSA must be designed to support this core principle of the Block Grant program. As such, uniform measures should be viewed principally as a tool to facilitate program accountability at the federal level, not as a benchmark to drive state policy and funding priorities.

Recommendation: That the Block Grant performance partnership plan that SAMHSA submits to Congress describe the important state role in setting policy and program priorities under the Block Grant and articulate how the performance partnership will enhance, rather than undermine, that role.

Although state mental health authorities have made considerable strides in recent years at the state level in developing information systems that measure mental health prevalence and services with the goal of increasing quality and accountability, the federal government has had little success in doing so at the national level. We believe that the federal government, in partnership with state mental health authorities, can remedy this situation and provide the national leadership that is needed in the mental health field.

Flexibility Under the Performance Partnership

NASMHPD supports SAMHSA's proposal to retain most current requirements under the Block Grant. We note that a principal concept underlying conversion of a block grant to a performance partnership – that is, that states will receive additional program flexibility in exchange for assuming new responsibilities for measuring performance and outcomes – does not fit well in the case of the Community Mental Health Service Block Grant, because SAMHSA has not proposed significant new flexibility for the states. Nonetheless, we agree that the existing requirements in the Block Grant have been effective in directing resources toward important policy goals we share, and we support retaining them under the performance partnership.

On the other hand, in the FRN, SAMHSA does suggest some significant new restrictions on states' use of Block Grant funds under the performance partnership. One proposal under consideration would require states to use a certain percentage of any new funds to increase the use of evidence-based practices in community-based service settings. NASMHPD has worked in partnership with SAMHSA to promote the use of evidence-based practices, and NASMHPD and the NASMHPD Research Institute, Inc. are national leaders in this area through their research, technical assistance to the states, and advocacy. We support the proposed emphasis on evidence-based practices as a way to ensure that federal dollars are spent most effectively, but we note the need for additional work to operationalize this proposal before it can be implemented. Defining "evidence-based practice" will be a critical issue, and must be

approached in a way that addresses the following concerns: (1) the public mental health system should continue to support emerging promising practices that appear to improve outcomes even if they have not yet been rigorously tested; and (2) SAMHSA and the states should support additional research and evaluation to identify evidence-based practices.

Recommendation: That the proposal to restrict the use of new Block Grant funds to support evidence-based practices be explored, but that SAMHSA collaborate with the states and other stakeholders to operationalize the proposal before it is adopted.

Resources

In developing its plan to convert the Block Grant into a performance partnership, SAMHSA is required by statute to include a discussion of the resources needed to implement the performance partnership. The FRN did not address this requirement, other than to note that the collection and reporting of data “is a very expensive undertaking” and to suggest that those providing comments bear in mind that costs to states should be minimized.

As discussed above, the federal government has the following clear interests in implementing the performance partnership: (1) to collect, analyze, and disseminate public health data; (2) to promote accountability for the Block Grant program at the national level; and (3) to justify expansions in the Block Grant program. We support SAMHSA in the pursuit of these goals, but note that the performance partnership would not, on balance, provide the states with additional flexibility in the administration of the Block Grant. Further, uniform reporting measures generally are not essential to accountability and quality improvement at the state level. Therefore, we emphasize that the federal government must provide the resources necessary for states to provide the data necessary for SAMHSA to accomplish its goals. Failure to do so will result in the diversion of scarce mental health dollars from services to data collection and reporting activities. Moreover, states should not be expected to bear the costs of meeting the federal government’s responsibilities.

Recommendation: That the Block Grant performance partnership plan that SAMHSA submits to Congress emphasize that the federal government must provide the resources needed to implement the requirements of the performance partnership, including mandatory reporting on a uniform set of performance measures.

The actual costs of implementing the performance partnership will depend, of course, on the performance measures selected and requirements on the states regarding uniformity of the data. However, the resources needed are significant under any scenario. While most states already collect and analyze significant amounts of data to support their own internal planning, quality improvement activities, and accountability systems, the performance partnership would require additional data collection, analysis, and reporting – in some cases leading to the creation of parallel systems – to support SAMHSA’s efforts to develop a national picture of the public mental health system and to monitor the effectiveness of its own programs. We note that each state would be required to conduct these data activities with respect to its entire mental health system, not just the Block Grant that is the focus of the performance partnership. In nearly every state, such an undertaking will involve significant new costs

related to computer hardware, software, provider education, data analysis, and other activities associated with the collection and reporting of data.

For example, one important measure requires states to report on the living arrangements (e.g., homelessness) of individuals served by the mental health system at any time during the year. However, many states monitor homelessness among people with mental illness by assessing their living arrangement at the time they receive services. If all states are to report this information on a comparable basis, a standardized methodology must be developed and implemented by every state. To accomplish this laudable objective, the state mental health system will have to: assess its current data elements on homelessness; develop or revise its definitions and instructions for data collection, update its contracts for reporting requirements with its local providers, modify its management information system and client data sets to accommodate this new federal data elements; and develop output reports to generate the PPG tables. Another complication is the fact that generally it is not the states that provide the actual services or conduct consumer intake assessments. State mental health authorities usually organize and contract for services with thousands of local community-based providers. These providers submit data to the states, which then complete the PPG data reports. Therefore, to fully implement this measure in a uniform fashion, each local community mental health provider will need to revise its intake and assessment forms, update or add new definitions and instructions for data collection and reporting, modify their information systems, and train intake staff, case managers, and others to complete these data elements. These costs are enormous for state mental health agencies, ***which ultimately will be responsible for assuming the significant new costs of every local community mental health provider serving public clients***. We appreciate that SAMHSA is working with us to conduct an assessment of the actual costs of implementing the PPG.

In addition, we note that SAMHSA, too, will require significant new resources to receive, analyze, and use the data on performance measures provided by the states. Existing staff resources at SAMHSA do not permit analysis even of the more limited data currently provided in state plans. Absent an enhanced capacity to evaluate the volumes of additional information that would be provided to SAMHSA under the performance partnership, the states' data activities would be wasted and of no more use in promoting quality improvement or accountability than the current Block Grant requirements. In addition to evaluating and analyzing the data, SAMHSA will require additional resources for technical assistance to help states, if necessary, improve their data systems and report reliable information required under the PPG.

Recommendation: That the Block Grant performance partnership plan that SAMHSA submits to Congress identify the additional federal resources necessary for SAMHSA to analyze data submitted by the states as part of the performance partnership and to provide technical assistance as necessary.

Implementation of the Performance Measure Reporting Requirements

The proposed performance measures described in the FRN represent several years of research and collaboration among SAMHSA and the states, and we share SAMHSA's goal of speedy implementation of uniform reporting and other aspects of the performance partnership. We have been pleased to

collaborate with SAMHSA in the development of a uniform reporting system and the Data Infrastructure Grant program (DIG). The FRN notes that SAMHSA and the states have developed two categories of measures – basic and developmental – and that a distinction between these two categories is the degree to which the measures have been worked out and the states ability to report on them. While much has been accomplished, we are still in the process of evaluating the first year of reporting under the three-year DIG. It is clear that much work remains to operationalize, test, and refine even the basic measures.

Recommendation: That mandatory reporting of any performance measure under the performance partnership not be implemented until the measure has been defined, tested, audited for reliability and validity, and refined. Further, as discussed earlier, reporting should not be required until resources are identified to support the costs of collection, analysis, and reporting.

It is critical that SAMHSA maintain its position that the data under the PPG not be used to compare or contrast states. Indeed, such comparisons would be inaccurate until all aspects of the measure – definitions, populations, and methodologies – are uniform, and even at that point comparisons would not be able to accommodate differences in state priorities, systems readiness, and financing mechanisms. Nonetheless, we note that the public availability of the data likely will invite such comparisons by others. As a result, we emphasize that SAMHSA and NASMHPD must continue to collaborate to operationalize required measures in as uniform a way as possible.

CONCLUSION

NASMHPD and its members support SAMHSA in the development of a performance partnership for administration of the Block Grant. We understand and support the federal government's efforts to collect data that can provide a national picture of the public mental health system and facilitate SAMHSA's accountability for the Block Grant program. We look forward to continuing to collaborate with SAMHSA to identify and define performance measures that states would report under the performance partnership, to operationalize these measures, and to identify adequate resources to support the costs of these additional reporting requirements.

Again, thank you for the opportunity to provide comments. If you have questions, please do not hesitate to contact either of us.

Sincerely,



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