mdrc
BUILDING KNOWLEDGE TO IMPROVE SOCIAL POLICY

EXECUTIVE SUMMARY

March 2009

The Employment Retention and Advancement Project

Results from the Substance Abuse Case Management Program in New York City

John Martinez, Gilda Azurdia, Dan Bloom, and Cynthia Miller

This report presents interim results from an evaluation of New York City's Substance Abuse Case Management (SACM) program, a large-scale initiative for welfare applicants and recipients who have substance abuse issues.[1] SACM seeks to connect participants with both treatment and employment services. The SACM evaluation is part of the national Employment Retention and Advancement (ERA) project. Conceived and funded by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services, the ERA project is testing 16 innovative models across the country that aim to promote steady work and career advancement for current and former welfare recipients and other low-wage workers. MDRC — a nonprofit, nonpartisan research organization — is conducting the ERA project under contract to ACF and is producing a similar interim report for each site in the project.

The evaluation focuses on the SACM program in the Bronx, one of the city's five boroughs. Operations there began in early 2001, and nearly 10,000 clients were served through September 2008. SACM has national relevance because many states are looking for effective models to assist the hardest-to-employ welfare recipients, including those with substance abuse problems and other health-related barriers to employment. Such models may be particularly important in the wake of changes in federal law in 2006 that require many states to substantially increase the share of welfare recipients who are engaged in work activities.

Origin and Goals of the SACM Program

Over the past 10 to 15 years, many states have expanded work requirements to include a much broader share of the welfare caseload. Federal legislation in 1996 accelerated this process by requiring states to ensure that a specific proportion of all recipients were working or preparing for work and by limiting most families to 60 months of federally funded assistance

[1]The New York City Human Resources Administration (HRA) referred to the program as the Comprehensive Service Model. The name "Substance Abuse Case Management" is used in this report because it more clearly describes the intervention.

under Temporary Assistance for Needy Families (TANF), the main cash assistance program for low-income families with children.

As states began to work with a larger share of the TANF caseload, and as caseloads declined dramatically, many states began to focus more attention on the substantial barriers to employment facing many recipients on the welfare rolls. Some states began to develop new employment-oriented programs for recipients with mental health problems, drug and alcohol abuse issues, physical disabilities, and other serious behavioral and health problems. Little is known about the effectiveness of these targeted approaches.

New York City has been particularly aggressive in attempting to ensure that all welfare recipients are engaged in work activities. The city's policies assume that virtually everyone on welfare should either participate in work-related activities, take specific steps to stabilize a medical problem, or apply for federal disability benefits. As part of this effort, beginning in the late 1990s, the Human Resources Administration (HRA, the city's welfare agency) developed a set of tailored programs for recipients facing particularly serious barriers to employment. One of these initiatives, the Substance Abuse Case Management program, was directed to recipients who abuse drugs or alcohol.[2] SACM was designed to address the fact that many people with substance abuse problems — particularly, low-income people — do not remain in treatment long enough to benefit, and so they face significant barriers to employment.

This evaluation focuses on the SACM program in the Bronx, which is operated under contract to HRA by University Behavioral Associates (UBA), a nonprofit behavioral health management services organization.[3] The goal of the program is to "assist public assistance clients in their path to abstinence, self-sufficiency, and employment." In brief, UBA's program assesses recipients to determine whether they need substance abuse treatment and, if so, what type of treatment and any other assistance they need; refers them to an appropriate treatment provider; monitors the provision of treatment over time; assists clients in remaining in treatment; and connects clients with welfare-to-work activities as appropriate. In contrast, the usual services ("usual care") provided to recipients with substance abuse problems include many of the same components but are less intense and less likely to be coordinated. Thus, the evaluation focuses on whether more focused and more intensive case management services lead to higher levels of treatment referral, enrollment in treatment services, and ultimately higher levels of employment and reduced benefits receipt relative to usual services.

[2]The ERA project is also evaluating another of the special initiatives, the Personal Roads to Individual Development and Employment (PRIDE) program, which targeted recipients who had work-limiting medical conditions. See Dan Bloom, Cynthia Miller, and Gilda Azurdia, *The Employment Retention and Advancement Project: Results from the Personal Roads to Individual Development and Employment (PRIDE) Program in New York City* (New York: MDRC, 2007).

[3]In New York, HRA contracted with three organizations — one in Manhattan, one in Brooklyn, and one in the Bronx — to deliver case management services to recipients needing substance abuse treatment.

The SACM Evaluation

The SACM evaluation's design takes advantage of the automated system that HRA uses to schedule welfare applicants and recipients for substance abuse assessments. Under this process, clients are screened for substance abuse in local welfare offices, and those who are deemed to be at risk are scheduled for further assessment. In the Bronx, these assessments are conducted by UBA, but the program has limited capacity. Thus, the scheduling system is designed to refer recipients needing an assessment to UBA unless the program's slots are full. When that occurs, recipients needing an assessment are referred to HRA's Substance Abuse Service Center until more slots became available at UBA. After carefully assessing the scheduling system, the researchers concluded that the assignment of clients to UBA (the SACM group) or to the Substance Abuse Service Center (the usual care group) was essentially random and that recipients who were assigned to the two programs would likely be comparable on measurable and unmeasurable characteristics. In order to preserve the integrity of the research design, clients who were referred to the Substance Abuse Service Center during the sample recruitment period were prevented from being referred again to UBA.

MDRC is tracking a total of 8,831public assistance applicants and recipients who were referred to SACM and usual care between 2003 and 2005. The study is using data provided by the New York City and the State of New York that show participation in substance abuse treatment as well as each individual's monthly welfare and food stamp benefits and any employment in jobs covered by the state's unemployment insurance (UI) program. At this point in the evaluation, one and one-half years of follow-up data are available for each person in the analysis. Because the process of assigning individuals to the two groups was nearly random, any significant differences that emerge in measured outcomes over time (for example, in employment or in participation in substance abuse treatment) can plausibly be attributed to the SACM program rather than to differences in the characteristics of clients assigned to the two programs; such differences are known as the *impacts* of SACM.

In reviewing the results presented below, it is important to consider two limitations of the research design. First, as is true in many studies in which individuals enter the research at the point of referral rather than at the point of program participation, the research sample for this study includes people who received few or no services from either the SACM or the usual care program. For example, some people were applying for welfare when they were referred to the two programs and never actually started receiving benefits (both programs serve only people receiving public assistance), while others were assessed by one of the two programs and were found not to need substance abuse treatment. In addition, a small fraction of the people who were assigned to the SACM group were later referred to the Substance Abuse Service Center.[4]

[4]About 5 percent of those in the SACM group completed only an assessment at the Substance Abuse Service Center during the follow-up period. These "crossovers" have the effect of weakening the treatment difference between the two groups, and they suggest that the results of the study may be a conservative estimate of SACM's impacts. Crossovers in the reverse direction (individuals who were initially referred to usual care but then participated in SACM) would have been much more damaging to the design, but they were (continued)

Overall, about 23 percent of the SACM group never completed an initial assessment at UBA, and another 9 percent were assessed but were found not to need substance abuse treatment. Although the main analysis focuses on everyone in the two research groups — including nonparticipants — a separate analysis examines results only for people who showed up to their assigned program and completed an assessment. These results may provide some insight into the effects of the SACM services themselves. In general, both the main analysis and the separate analysis find strikingly similar results on the main outcomes of interest.

Second, the study relies solely on HRA program-tracking data to measure participation in substance abuse treatment. These data are useful for determining whether sample members initially enrolled in a treatment program; however, they do not allow for reliable measurement of other outcomes, including retention in treatment over time — the key short-term goal of the SACM program. In addition, the HRA data do not track treatment participation during periods when sample members did not receive public assistance. Finally, the data do not measure the extent to which sample members used drugs during the study period. A complementary study of SACM by the National Center on Addiction and Substance Abuse (CASA) at Columbia University is measuring treatment retention and substance use using surveys and biological testing, albeit for a small subset of the research sample.

Finally, as is often the case in long-term studies, HRA made some important changes in the SACM program during and after the study period — notably, changes designed to increase the program's focus on employment. The impact of those changes, if any, may not be reflected in the study's results.

The SACM Target Population

A large majority of sample members are males not living with children who were receiving (or applying for) Safety Net assistance. Safety Net is a New York State program that serves childless adults and, since 2001, TANF recipients who have reached their 60-month time limit on federally funded benefit receipt. The proportion of mothers on TANF in the sample is quite small (about 5 percent). This reflects general differences in substance abuse patterns between the TANF and Safety Net populations. Also, there is anecdotal evidence that mothers are less likely to report substance use because they are concerned about triggering a child welfare investigation. The sample members were relatively old when they entered the study (an average age of 38), compared with those in most welfare-to-work studies. Most had no recent work history. Only about one-third had been employed in the prior year.

very rare, in large part because HRA agreed to program its management information system to prevent this from happening.

Key Findings on Program Implementation

- **The general sequence of services was similar for SACM and usual care clients, but the intensity of services was much greater in SACM.**

UBA staff conducted an assessment to determine the nature and severity of each client's substance abuse issue; made appropriate referrals for treatment; and when a participant was determined to be nonexempt (that is, no longer required to undergo intensive substance abuse treatment services and thus able to engage in employment services), they made a referral to an employment vendor. This was similar to the flow through the usual care program. However, the staff conducting the assessments differed. UBA assessment staff were mostly psychologists and clinical social workers, leading to a broader, more clinically focused assessment, whereas the usual care group was assessed by Credentialed Alcoholism and Substance Abuse Counselors who tended toward a more functionally focused employability assessment. In addition, once clients were referred to a treatment provider, the level of ongoing staff interaction was much greater at UBA. The average UBA staff member carried a caseload of 40 clients, one-half to two-thirds the caseload of a typical HRA Substance Abuse Service Center eligibility worker. Further, UBA had more frequent and consistent contacts with clients and was more likely to call clients in (for example, clients suspected of being noncompliant) for routine and case-issue reassessments. The Substance Abuse Service Center, on the other hand, focused primarily on welfare eligibility issues.

Although there are clear distinctions between the SACM and usual care programs, it is important to note that the evaluation is not comparing SACM with a "no-service" control group. Rather, it is assessing the impact of SACM over and above the effects produced by a usual care program that also sought to refer clients to substance abuse treatment and to enforce a requirement to participate in treatment.

- **The SACM group was more likely than the usual care group to be referred to substance abuse treatment and to enroll in treatment.**

A higher proportion of the SACM group (73 percent) were referred to a substance abuse treatment program relative to the usual care group (69 percent). In addition, those in the full SACM group were slightly more likely to enroll in substance abuse treatment programs (65 percent) relative to the usual care group (61 percent). Although these differences are not very large, it should be noted that, in both groups, almost everyone who was assessed and deemed in need of treatment was referred to a treatment provider. Thus, it would have been very difficult for SACM to generate a large impact on treatment referrals.

One reason why the SACM group was somewhat more likely to be referred to treatment is that UBA staff were more likely than their counterparts in the Substance Abuse Service Center to assess individuals as being in need of substance abuse treatment. It is not possible to determine whether this was due to the more clinically focused nature of UBA's assessment (that is, UBA's assessment did a "better job" of uncovering substance abuse issues), or to the Substance Abuse Service Center's narrower focus on substance abuse that functionally limited

employment, or to some other factor. Regardless, the higher levels of treatment enrollment for the SACM group could be attributed to the increase in those being found to need treatment and/or to the more intensive follow-up services that UBA clients received once they were assigned to a care manager, which facilitated their enrollment into substance abuse treatment. In any case, the impact on treatment enrollment was somewhat larger (almost 7 percentage points) when the analysis was restricted to those who completed an assessment.

- **SACM led to a small increase in the proportion of the sample who were referred to an employment program.**

About 44 percent of the SACM group and 40 percent of the usual care group were referred to HRA employment programs. There are a number of possible reasons for this result, though no evidence is available to provide definitive explanations. The increase could be due to differing initial assessment results across the two groups. Another possibility is that SACM was better at transitioning exempt participants through substance abuse treatment programs and into welfare-to-work activities.

Key Findings on Economic Impacts

- **SACM had no effect on UI-covered employment during the 1.5-year follow-up period. Overall employment levels were relatively low, compared with a typical welfare population.**

As shown in Table ES.1, SACM had no statistically significant effect on employment in Quarters 2 through 7 relative to the Substance Abuse Service Center.[5] For example, just over one-third of the SACM group worked in a UI-covered job at some point during the follow-up period, and the employment rate for the usual care group was similar. An analysis of results for the subgroup of those receiving TANF similarly revealed no statistically significant effects on employment, and there was also no significant impact on employment among those who completed an initial assessment. Earnings data — provided as group averages — were not tested for statistical significance. However, the difference between the two research groups in average UI-covered earnings was less than $200 over the six-quarter follow-up period.

- **SACM had no effect on benefits receipt for the full sample, but it did lead to a reduction in receipt for the subgroup of TANF recipients.**

SACM had no consistent effects on benefits receipt for the full sample (Table ES.1). When focusing on the sample of mothers who were on TANF, however, it appears that SACM did lead to a statistically significant reduction in cash assistance receipt: 13 percentage points less in Quarter 7 (not shown).

[5]Differences between the two research groups that are marked with asterisks are termed "statistically significant," meaning that it is quite unlikely that they arose by chance and very likely are due to the program.

The Employment Retention and Advancement Project

Table ES.1

Impacts on Substance Abuse Treatment, HRA Employment Program Referrals, UI-Covered Employment, and Public Assistance for the Full Sample

New York City Substance Abuse Case Management

Outcome	SACM Group	Control Group (Usual Care)	Difference (Impact)	P-Value
Substance abuse treatment (%)				
Referred to substance abuse treatment	72.9	68.6	4.3 ***	0.000
Enrolled in substance abuse treatment	64.8	61.3	3.5 ***	0.001
Employment program (%)				
Referred to HRA employment programs	43.9	40.8	3.1 ***	0.003
Employment in Quarters 2-7 (%)				
Ever employed	37.6	36.3	1.3	0.180
Average quarterly employment rate	17.5	16.7	0.8	0.144
Employed 4 consecutive quarters	9.1	8.9	0.2	0.772
Income in Quarters 2-7 ($)				
Amount of cash assistance received	2,407	2,477	-70	0.281
Amount of food stamps received	1,631	1,652	-21	0.403
Total measured income[a,b]	6,809	6,706	103 [b]	NA
Sample size (total = 8,831)	4,670	4,161		

SOURCES: MDRC calculations from public assistance records from New York City, UI wage records from the State of New York, and action code data from the New York City Work, Accountability, and You (NYCWAY) system.

NOTES: This table includes only employment and earnings in jobs covered by the New York unemployment insurance (UI) program. It does not include employment outside New York or in jobs not covered by UI (for example, "off-the-books" jobs, some agricultural jobs, and federal government jobs).

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomse for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Dollar averages include zero values for sample members who were not employed or were not receiving TANF or food stamps.

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

NA = not applicable.

[a]This measure represents the sum of UI earnings, TANF, and food stamps.

[b]This difference is not tested for statistical significance because the UI earnings data were provided as group averages.

Large percentages of sample members in both research groups left welfare during the study period — often because they were sanctioned for failing to comply with substance abuse treatment or other HRA requirements — and many cases closed and opened several times. This pattern of caseload "churning" often interrupted UBA's follow-up with clients because SACM services were generally provided only to individuals who had an open welfare case.

Conclusion

The SACM program is an ambitious attempt by HRA to provide enhanced services to a particularly hard-to-serve population: substance abusers receiving public assistance. The majority of participants were not TANF clients but, rather, participants in the state's Safety Net program. The evaluation was designed to measure the impacts of SACM above and beyond the effects produced by a usual care program that also assessed clients, referred them for mandatory substance abuse treatment when appropriate, and provided some level of follow-up. The study found that SACM clients had higher rates of enrollment in substance abuse treatment than the usual care clients. However, owing to data limitations, it was not possible to determine whether SACM affected rates of retention in substance abuse treatment or abstinence rates.

The SACM program had no effect on employment or benefits receipt for the full sample through the first one and one-half years of follow-up, although there was a reduction in cash assistance receipt for the subgroup of TANF recipients. As noted earlier, HRA sought to increase SACM's focus on employment, so these results might be different if the study were conducted today.

MDRC will continue to track the SACM and usual care groups and will present longer-term impacts in the future. This may be important, given that it can take a significant amount of time for individuals to make progress in substance abuse treatment. However, the interim results highlight some of the challenges that may confront efforts to implement intensive case management services for substance abusers in the context of the welfare system. For example, programs that can serve clients only while they receive welfare benefits may struggle to sustain engagement when clients move on and off welfare, sometimes as a result of sanctions for noncompliance with program requirements.