



SUMMARY



A LIMITED REVIEW OF THE S.C. DEPT. of ALCOHOL AND OTHER DRUG ABUSE SERVICES

SEPTEMBER 2022

KEY FINDINGS

Members of the General Assembly requested an audit of the S.C. Department of Alcohol and Other Drug Abuse Services (DAODAS).

OBJECTIVES

- Review the actions of DAODAS in response to the opioid epidemic.
- Review the impact of the COVID-19 pandemic on efforts by DAODAS to respond to gambling and non-opioid substance use disorders.
- Review administrative costs, management of carry-forward funds, procurement, and staffing.
- Review DAODAS' reimbursement process, communication practices, and overall involvement with service providers.

BACKGROUND

A cabinet agency since 1993, DAODAS ensures the availability and quality of a continuum of services for alcohol and drug abuse and gambling addiction through a community-based system of care.

While not a direct service provider, DAODAS contracts with county alcohol and drug abuse authorities to provide services throughout the state's 46 counties and contracts with other public and private service providers to address substance use disorders.

From FY 16-17 – FY 20-21, DAODAS' budget has ranged from \$52 million to \$74 million. DAODAS has relied on federal funding for more than half its total spending. In contrast, in 1980, when we audited the state's alcohol and drug abuse agency, federal dollars represented just 39% of the agency's budget.

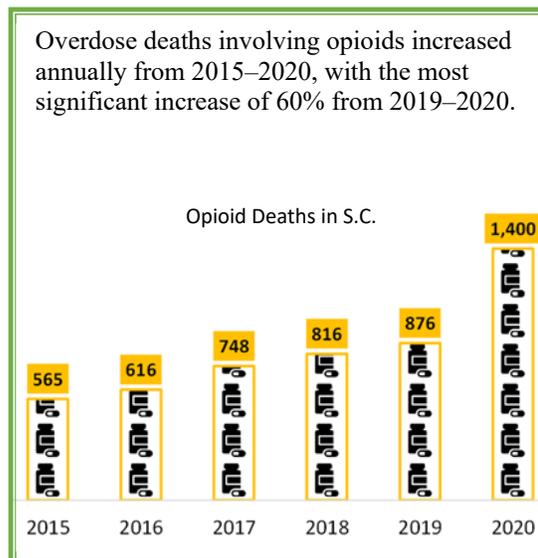
- Overdose deaths in South Carolina involving opioids increased annually from 2015–2020 and increased 60% from 2019–2020 with a dramatic 105% increase in fentanyl overdose deaths from 2019–2020.
- First responders in rural areas, where the opioid crisis is extremely severe, lag behind urban colleagues in training in the use of naloxone, an opioid overdose reversal medication.
- While COVID-19 had an impact on non-opioid services, providers delivered services within the constraints of lockdowns and staff availability.
- DAODAS allocates funds for opioid-related services without regard to the most current mortality data.
- The Alcohol and Drug Safety Action Program (ADSAP) operates in a deficit each year, which results in providers diverting funds from other purposes to cover program costs.
- DAODAS' monitoring efforts of subgrantees is inadequate.
- DAODAS does not have a viable internal audit function.
- DAODAS lacks sufficient internal controls to verify the accuracy of provider reimbursements and prevent purchasing card (P-Card) misuse by its own staff.
- Errors and omissions in DHEC's online Find a Facility mapping tool for licensed outpatient alcohol and drug addiction treatment providers may lead to misinformation or deter some people from seeking treatment.

OPIOID SERVICES

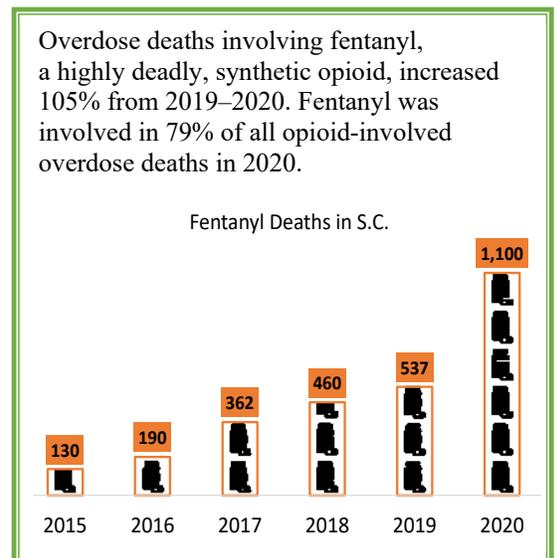
OPIOID USE DISORDER

Opioids include illegal drugs like heroin and illicit fentanyl, but also include prescription medications, such as: morphine, hydrocodone, codeine, fentanyl, methadone, hydromorphone, oxycodone, and buprenorphine.

Overdose deaths involving opioids increased annually from 2015–2020, with the most significant increase of 60% from 2019–2020.



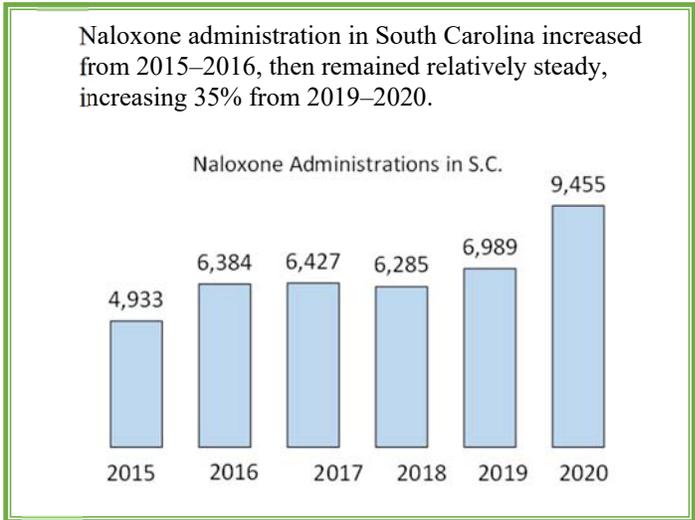
Overdose deaths involving fentanyl, a highly deadly, synthetic opioid, increased 105% from 2019–2020. Fentanyl was involved in 79% of all opioid-involved overdose deaths in 2020.



FIRST RESPONDERS IN RURAL AREAS LACK TRAINING ON USE OF OPIOID REVERSAL MEDICATION

While South Carolina has made significant inroads in training first responders in the use of naloxone, a drug used to reverse the effects of a drug overdose, more work is required to train responders in smaller, more rural areas, which experience higher rates of opioid use and overdose deaths.

The S.C. Department of Health and Environmental Control (DHEC) regulates and monitors naloxone usage by paramedics. It administers two programs, the law enforcement officer naloxone (LEON) program for law enforcement officers and the reducing opioid loss of life (ROLL) program for firefighters through a subgrant from DAODAS. As of March 2021, the LEON program had trained more than 10,000 police officers in 228 organizations across the state. More than 1,700 firefighters in 113 units were part of the ROLL program. Police officers are assigned naloxone individually whereas it is assigned to a vehicle within fire departments.



OPIOID LITIGATION SETTLEMENT

South Carolina is poised to receive \$300 million over the next 18 years from a national opioid litigation settlement to address the opioid epidemic. In May 2022, the Governor signed Act No. 222, which established the S.C. Opioid Recovery Fund and the S.C. Opioid Recovery Fund Board. The board will be comprised of nine members appointed by the Governor, President of the Senate, and Speaker of the House of Representatives. The *South Carolina’s Guide to Approved Uses for Investing Opioid Settlement Funds* was issued in June 2022 as a reference guide for the board.

MORTALITY DATA

We identified inconsistencies in mortality data released by DHEC, some of which DHEC corrected after having been notified during our fieldwork. However, inconsistencies may remain in the data for 2015–2017.

FUNDING FOR OPIOID-RELATED SERVICES

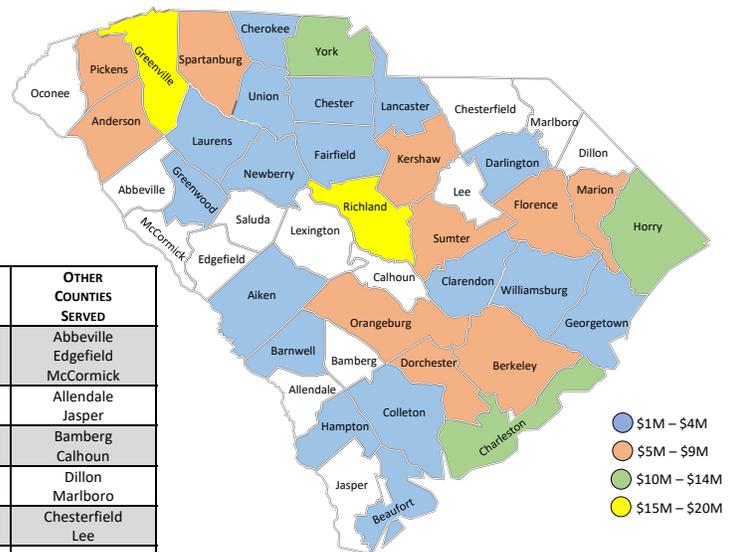
From FY 16-17 – FY 20-21, three-fourths of DAODAS’ expenditures came from three federal grants, the Substance Abuse Prevention and Treatment Block Grant and two federal opioid response grants.

In FY 20-21, through the American Rescue Plan Act, DAODAS was awarded supplemental block grant funding of \$19,199,380 for a four-year period which began in September 2021. The purpose of the funding is to increase community-level support for Americans dealing with emotional and mental challenges during the COVID-19 pandemic.

PREVENTION FUNDING FORMULA

DAODAS’ formulas for allocating federal block grant funds to the state’s 32 local alcohol and drug abuse authorities do not use the most current drug overdose mortality data. Because the block grant is the largest source of federal funds for DAODAS, consideration of how deaths from opioids have impacted an area should be a priority in allocating funding to local alcohol and drug abuse authorities. Additionally, we found DAODAS did not adequately monitor its subgrantees.

**DAODAS FUNDING TO LOCAL AUTHORITIES
FY 16-17 – FY 20-21**



MAIN LOCATION	OTHER COUNTIES SERVED
Greenwood	Abbeville Edgefield McCormick
Hampton	Allendale Jasper
Orangeburg	Bamberg Calhoun
Marion	Dillon Marlboro
Kershaw	Chesterfield Lee
Richland	Lexington
Newberry	Saluda
Anderson	Oconee

Areas with no color indicate counties where local alcohol and drug abuse authorities serve multiple counties. The local authorities' main locations were used for LAC's analysis.

REVIEW OF OPIOID TREATMENT PROGRAMS

There are various areas across the state where those with an opioid use disorder do not have access to medication-assisted treatment services at an opioid treatment program (OTP). Although DAODAS is considering procuring mobile OTP units for contracting with the OTPs, as of March 2022, it had not implemented mobile outreach services to reach rural and underserved areas of the state.

MONITORING PROCESS AND EFFECTIVENESS FOR OPIOID SERVICES

DAODAS has not conducted any site visits to OTPs since the start of the COVID-19 pandemic and could not provide documentation to support that it conducted the required number of clinical quality assurance reviews. Furthermore, DAODAS does not collect adequate data to track which OTPs treat co-occurring mental health disorders and certain demographic information of the patients they serve.

OPIOID EMERGENCY RESPONSE TEAM

We reviewed records of the Opioid Emergency Response Team (OERT), for which DAODAS serves as the co-chair, and found the OERT has failed to establish a regular schedule of meetings since its inception and failed to comply with state law for recordkeeping by a public body.

NON-OPIOID SERVICES

NON-OPIOID AND GAMBLING SERVICES

DAODAS' enabling legislation does not accurately reflect the funding and operations of the agency as it relates to programs in public schools. Also, DAODAS collects no data on the scope and magnitude of gambling disorders in South Carolina.

Additionally, DAODAS lacks legislative guidance with which to recommend and implement policies aimed at responding to gambling disorders using its provider network. We reviewed the use of all non-opioid services during COVID-19, March 2020–October 2021, and found COVID-19 appears to have impacted new admissions for treatment services and the number of services delivered. Providers appear to have been able to respond to the pandemic and deliver some services within the constraints of mandatory lockdowns and staff availability.

ALCOHOL AND DRUG SAFETY ACTION PROGRAM

The statewide Alcohol and Drug Safety Action Program (ADSAP) operates in a significant deficit each year. The fee maximums for participants have not increased in over 20 years and providers cover the costs by diverting monies from other purposes. DAODAS' program oversight is inadequate, as the agency does not evaluate the program's performance; it is unclear if the program is effective.

LOCATIONS OF LOCAL ALCOHOL AND DRUG ABUSE AUTHORITIES

Errors and omissions in DHEC's online Find a Facility mapping tool for licensed outpatient alcohol and drug addiction treatment providers may lead to consumers being misinformed or deterred from seeking treatment that is, in fact, available.

EFFECTIVENESS OF NON-OPIOID SERVICES

DAODAS relies on self-reporting and surveys to determine effectiveness of prevention strategies and treatment services, uses the number of individuals served as a measure for effectiveness, and does not assess the effectiveness of gambling addiction services. Therefore, DAODAS is missing an opportunity to improve the quality of addiction services and increase service outcomes.

MONITORING PROCESS FOR NON-OPIOID SERVICES

A review of DAODAS' process for monitoring contracts with local alcohol and drug abuse authorities and for tracking deliverables revealed a number of inadequacies, such as missing contract elements, late or missing contract deliverables, deliverables lists that are not all inclusive, inconsistent deliverables lists and tracking logs, and tracking logs that contain inconsistent data and formatting.

INTERVIEWS WITH LOCAL ALCOHOL AND DRUG ABUSE AUTHORITIES

A judgment sample of local alcohol and drug abuse authorities indicated there were issues in working with DAODAS, in that it is difficult to reach DAODAS staff, there is not enough focus or funding for alcohol and marijuana addiction treatment programs, transportation is a significant barrier for patients seeking services, and there needs to be more flexibility in the use of grant funding to meet specific community needs.

ADMINISTRATIVE AREAS

FOR MORE INFORMATION

Our full report, including comments from relevant agencies, is published on our website. Copies can also be obtained by contacting our office.

LAC.SC.GOV

SOUTH CAROLINA GENERAL ASSEMBLY
Legislative Audit Council
Independence, Reliability, Integrity

K. Earle Powell
Director

1331 Elmwood Avenue
Suite 315
Columbia, SC 29201
803.253.7612

ADMINISTRATIVE COSTS AND CARRY-FORWARD DOLLARS

DAODAS' administrative costs have been relatively constant, representing approximately 7% of agency spending annually. We analyzed DAODAS' carry-forward dollars from FY 16-17 – FY 20-21, and found the agency has allowed funds to lapse, has not accurately tracked its use of carry-forward dollars, and has not expended any carry-forward funds in the last two fiscal years we reviewed. DAODAS may have missed opportunities to utilize carry-forward funds to increase services.

REIMBURSEMENTS TO LOCAL ALCOHOL AND DRUG ABUSE AUTHORITIES

DAODAS' method of reimbursing local alcohol and drug abuse authorities for substance use prevention, intervention, treatment, and recovery services is inadequate. Reimbursement rates for these services vary depending on the authority, and DAODAS lacks sufficient internal controls to verify the accuracy of reimbursement payments.

STAFFING

DAODAS does not have timely, accurate, or complete staffing data. DAODAS also has not completed background checks on all new hires. While not legally required, DAODAS stated that it has tried to complete background checks on all new hires. As of March 25, 2022, we could document only 1 completed background check for 38 current employees.

RESULTS OF EMPLOYEE SURVEY

We conducted a survey of all DAODAS staff, excluding the DAODAS director, and found perceptions that personnel turnover has, occasionally, negatively affected the agency, employees occasionally assist other employees to meet a deadline before completing their own work, and employees frequently work overtime to meet a deadline.

INTERNAL AUDIT FUNCTION

DAODAS does not have a viable internal audit function. The agency's internal audit plan was formed without a formal risk assessment having been completed, and there are no policies and procedures in place to govern the internal audit function. The agency has yet to complete an official internal audit.

P-CARD PURCHASES AND ASSIGNMENTS

DAODAS' internal controls to prevent purchasing card (P-Card) misuse are insufficient. DAODAS does not consistently obtain approval from the Comptroller General's office before making purchases at vendors with blocked merchant category codes, uses unauthorized P-Cards for travel-related lodging expenses, has assigned a cardholder more than one P-Card, and has inaccurate records of P-Cardholders.

WEBSITE REVIEW

DAODAS' website and social media pages have a number of content and formatting inadequacies. The home page does not contain direct links to fentanyl or fentanyl test strips or other valuable information, one social media page is not updated regularly and does not contain specific addiction information, and the agency's webpages have potential accessibility issues for consumers with disabilities.