Practical Evaluation for Public Managers

Getting The Information You Need

Department of Health & Human Services
Office of Inspector General

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FOREWORD

Trying to make a decision without information is like shooting at a target blindfolded. You probably won't hit the bull's eye. You may not hit the target at all. And there is a chance you may injure an innocent bystander. As the Inspector General for the Department of Health and Human Services, I get to see first-hand many of the effects and side-effects of off-target decision-making.

It is my job to protect HHS programs against fraud, waste, and abuse, and to promote program effectiveness and efficiency. While I have been given a special trust to protect and improve these programs on behalf of the public, this is really the trust given all government employees. Without the cooperation of the employees of the programs we oversee, my office would accomplish very little. Further, no matter how well my staff and I, or any other oversight agency, do our jobs, most of the effectiveness of government programs rests day-to-day with program managers and their staffs, and is based on their decisions.

Before coming to HHS, I served as Inspector General for the Department of the Interior, for NASA, for the Department of Defense, and for the Navy's Pacific Fleet at Pearl Harbor, Hawaii. So I know the inspector general job pretty well. Earlier, I held management positions at the Navy Finance Center in Cleveland and at Interior. If there is one thing I have learned in these public service capacities, it's that *there is nothing more powerful than meaningful information in the hands of someone who can use it to make government work better.* It's always been one of my foremost goals as Inspector General to give decision-makers solid, timely, and useful information.

While most Inspectors General would share my philosophy, many rely on their auditors and investigators for program information. However, my office also depends on a small, distinct group of analysts for a great deal of the information we collect on HHS programs. The Office of Evaluation and Inspections (OEI) has adapted techniques from evaluation, policy analysis, survey research, and other disciplines to develop a practical system for providing rapid feedback to decision-makers on program and policy issues. We have found this system works well. In fact, both Vice President Gore, as noted in the report on the National Performance Review, and Paul Light, as shown in his book *Monitoring Government*, see an evaluation role in the future of federal IGs.

Four individuals, Michael Mangano, my principal deputy, Penny Thompson, the head of OEI's Health Care Branch, and Jack Molnar and Brenda Stup, OEI senior analysts, have written this volume, which describes our evaluation system and their experiences. The authors make a strong case for program managers themselves to go beyond routine data collection to analyze and evaluate their programs, and the book presents low-cost, accessible strategies for accomplishing this.

Many thanks to Mike, Penny, Jack, and Brenda for keeping us "on target." I see this book as a valuable contribution to the ongoing endeavor to make our public programs more efficient, more effective, and more responsive.

June G Brown

June Gibbs Brown
Inspector General

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SETTING THE STAGE

How many times have you discovered you were missing a critical piece of information and...

- Couldn't figure out why service-delivery was inefficient?
- Couldn't understand why clients seemed dissatisfied?
- Couldn't answer an inquiry about your program's accomplishments or weak spots?
- Couldn't make a strong case for additional budget dollars?
- Couldn't assess the extent of program fraud or abuse?
- Couldn't be sure you made the right decision about which action would make the most significant program improvement?

You may have missed an opportunity because you lacked timely and reliable information. Armed with the right information, you could have made more informed decisions, eliminated a bottleneck, understood your clients' problems, documented your program's strengths and weaknesses, effectively argued for resources, protected the program from profiteers, or known which changes would produce the biggest payoff.

If you are a program manager or analyst, you are probably inundated with data and statistics. You may not even recognize an information deficit. Yet you may often find you don't have data-based answers to policy and operational questions when you need them, despite the huge investment being made in data collection and reporting in public programs.

This book is about getting the information you need in a timely manner and at a relatively modest cost. By "information," we mean something more than the data typically produced by management information systems. Rather, we use information to mean a collection of facts and logical conclusions which answer the types of questions we posed above. By learning and using a variety of strategies for obtaining information, you can better address specific problems, gain insight into what's happening in your program, and determine what directions you should be taking. These strategies can help you reduce complexity and uncertainty in your day-to-day decision-making and see beyond the many immediate problems you face.

Sharing Techniques and Approaches. This book describes the methods used by a group of professional analysts dedicated to putting practical program information in the hands of the people who need it in time to make a difference. The strategies we present in the next chapters are drawn from our experience as analysts in the Inspector General's office for the U. S. Department of Health and Human Services (HHS). A short description of our operation, mission, and philosophy might help explain why we are writing this book.

Our organization, the Office of Evaluation and Inspections, comprises about 100 analysts who come from a variety of educational and occupational backgrounds. Stationed across the country, we work in teams to conduct short turnaround evaluations of HHS programs. These generally take six to nine months from the time we settle on a project design to the time we present preliminary findings to our audience. We can move even faster when the need arises. Our studies usually fall into one or more of the following categories: client satisfaction surveys; performance indicator studies; compliance reviews; effective practice reviews; early implementation reviews; and emerging issue reviews. We have organized this book around these categories.

We tend to be very pragmatic in our outlook and approach. We search out the methods and data sources that will produce the best information in time to be useful. In fact, we measure our success in terms of program improvements and dollars saved or put to better use. We strive to anticipate critical issues. We define our studies using a relatively sharp focus. Our techniques allow us to reach logical conclusions rather than definitive answers. We

believe timing is the key to our success and that, no matter how accurate, information provided too late is of little value.

Because of this, some people might call our work "quick and dirty" or question the accuracy of calling what we do evaluation at all. Indeed, you may tend to associate the field of evaluation with drug testing, for example, more readily than with program management. The most scientific evaluations involve control and test groups to assess the effects of a particular intervention (e.g., a drug). In its purest form, such an evaluation involves randomly assigning individuals to either the control (no treatment or intervention) or the test group, so that any measurable differences in the groups over time can be attributed to the one difference between the groups: the presence or absence of the treatment or intervention. On the strength of evidence amassed in such "pure" evaluations, our society makes critical decisions, not only about which medical treatments work best, but about how individuals respond to all sorts of interventions.

Yet, as part of an agency charged with overseeing some of the largest federal programs in existence, we often must assess and evaluate programs or other interventions without the luxury of conducting a scientific experiment. To do this, we use methods consistent with principles of evaluation but quite different from the exacting work of scientists who supply us with the kind of definitive information described above. We see our approach as far more attainable and our goals as very much like those of most program managers. We examine and report on issues of efficiency, fraud and abuse, and program effectiveness. Similar responsibilities—to use public dollars wisely, to maintain public confidence, and to achieve intended results—fall on program managers. Like many program managers, we move quickly from one issue to the next, as we anticipate and respond to the interests and needs of decision-makers in the executive and legislative branches of government.

We are interested in making our commonsense approach to evaluation—*providing outcome-oriented, practical information* *for immediate use*—available to program managers and others who may not consider themselves evaluators. We realize that establishing a distinct evaluation component like ours may be an unreachable or even inappropriate goal for many programs. It requires the help of experienced evaluators, a long-term commitment, and more than a little risk-taking. It's hard work. However, with an understanding of the way evaluation techniques can apply to program management, non-evaluators can effectively use the services of evaluators to obtain needed information. Similar to any relationship based on a contract for services, the more you know about the concepts and applications of evaluation, the stronger your partnership with professional evaluators will be, and the more likely you will be to end up with information that meets your needs. With this objective, we will share our strategies with you in the chapters that follow.

Since our goal is to make evaluation more accessible, we've limited our use of professional jargon. We've avoided technical terms that may be unfamiliar to non-evaluators. We haven't filled our discussion with theory or references, although we offer suggestions for further reading if you are interested in learning more. We concentrate on the techniques with which we've had the most success over a number of years. We hope this information will start you thinking about how to use evaluation to improve the program you manage or to expand your repertoire as an analyst.

We certainly don't claim to have all the answers or to have originated a new evaluation system. We've had enough successes as well as failures to know what works and what doesn't. We've borrowed extensively from the fields of journalism, auditing, investigation, and management analysis, as well as evaluation, in developing our techniques. We will describe our strategies, along with examples of how we have used them, and explain why they work.

We know that many of you have long been convinced of the value of producing timely, relevant information to monitor the effects of your program and that you have developed your own

techniques to do this. For those of you who fall into this category, we hope to offer some new ideas for collecting and analyzing program information. Others of you may be wary of committing any of your dwindling resources to evaluation efforts. We hope to convince you that evaluation is critical to your program's success, and possibly its very survival, and to give you some simple ways to get started.

Organization of the Book. Our discussion starts with some compelling reasons for conducting program evaluations, then examines a variety of effective evaluation techniques, with examples of their use, and ends with a review of some of the practical considerations involved in developing an evaluation capacity. The first chapter answers the question: Why should program managers conduct evaluations? It describes the legislative, private-sector, and public forces pushing managers in this direction. Chapter 2 discusses what's involved in program evaluation. Chapters 3 through 8 cover six types of information-gathering strategies you may find useful. In Chapter 9, we talk about what to do after you've made the decision to add program evaluation to your management system.

About the Authors. Michael Mangano is Principal Deputy Inspector General for the U.S. Department of Health and Human Services. Penny Thompson is Chief of the Health Care Branch for the Office of Evaluation and Inspections, where she devotes her attention to evaluations of the Medicare and Medicaid programs. Jack Molnar and Brenda Stup are senior analysts in the Office of Evaluation and Inspections and are both currently involved in evaluations involving Social Security issues. All four have published articles on program evaluation and related topics in professional journals and books. Together, the authors have over 50 years of hands-on experience in conducting studies of over 250 programs within HHS.

CHAPTER 1

MAKING THE COMMITMENT

The American public is demanding better government. As the private sector devotes more attention to meeting customers' needs, people want and expect the same responsiveness from government. We look to the federal government to provide for a common defense, to collect taxes, to assist the needy, to regulate health care, to monitor air quality, to operate parks, to keep defective products off the market,...the list goes on and on. However, the staffing levels and budgets that previously sustained these programs and services are shrinking.

Is it really possible to "do more with less," and "work smarter, not harder"? The evidence from the private sector seems to say it is. Over the last decade or more, innovative managers in a number of industries have shown us a virtual quality explosion coupled with significant cost reductions. They did it by investing in employee training and modern equipment, reducing the ranks of middle management and empowering all staff, redesigning products to stress quality and "delight" customers, rethinking basic processes, and focusing on the long term. This is how the U. S. automotive industry, particularly Ford and Chrysler, turned itself around and became competitive again.

People have begun to realize that if such dramatic improvement can be achieved in the private sector, it can be accomplished in the public sector as well. We are seeing the results of this awareness in several initiatives to improve accountability in the management of federal programs.

Reporting Out the Results. In November 1990, the Congress passed and the President signed the Chief Financial Officers Act. One of the objectives of the Act is to "provide for the production of complete, reliable, timely, and consistent financial information for use by the executive branch of the government and the Con-