

# Comprehensive Services for At-Risk Youth and Families (CSA)

Presentation to  
Senate Finance Committee

Kim McGaughey  
*Executive Director*  
*Office of Comprehensive Services for*  
*At-Risk Youth & Families*

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# Overview

- Children, Services & Expenditures
- Major Opportunities
- Custody Relinquishment



# CSA Children

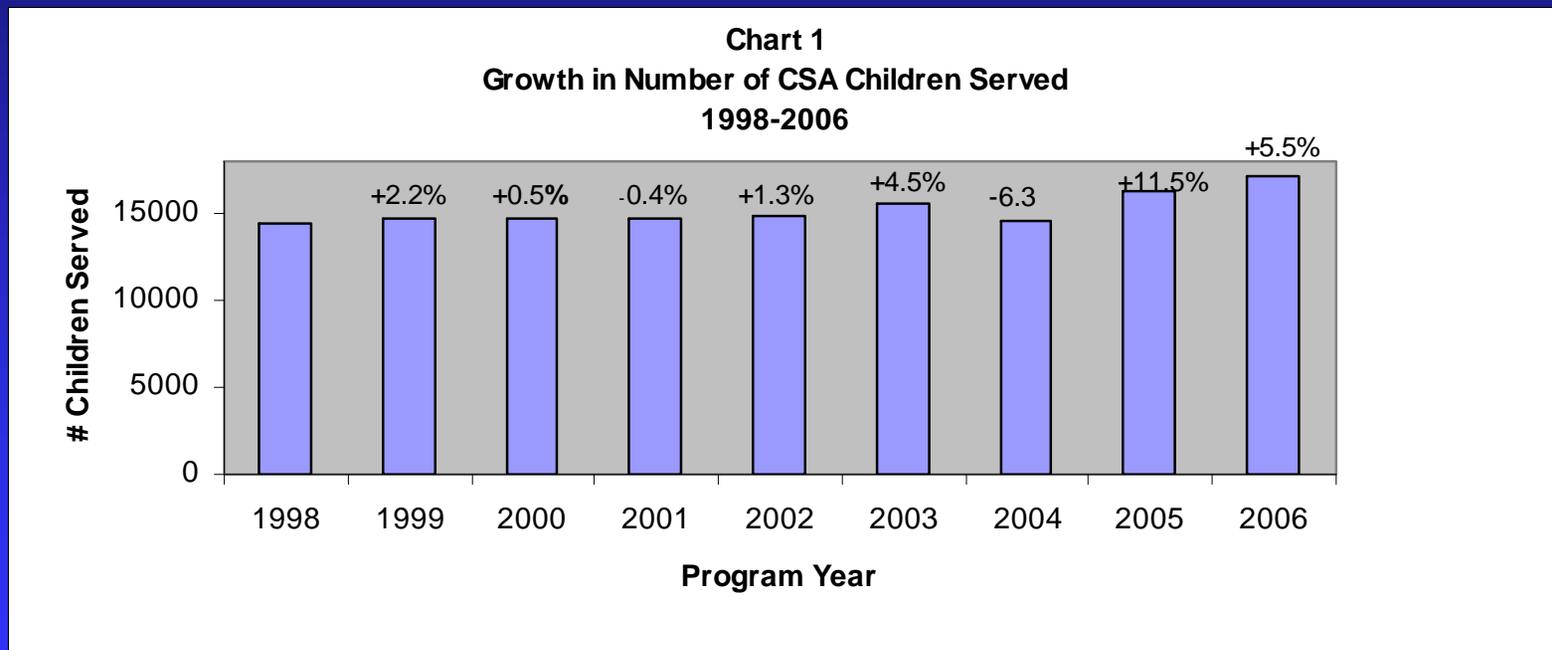
- Eligible children & their families
  - ◆ Serious emotional or behavior problems
  - ◆ Significantly disabling in several settings
  - ◆ Need services and collaboration beyond what agencies normally provide
  - ◆ At imminent risk, or placed, in residential care
  
- Mandated populations
  - ◆ Children in foster care & special education
  - ◆ Sum sufficient funding required by federal law for needed services
  
- Most children referred to CSA by
  - ◆ Local social services (61%)
  - ◆ Schools (20%)
  - ◆ Court service units (7%)
  - ◆ Community service boards (3%)
  - ◆ Other (9%)

# CSA Children

- Primary reasons for services at last assessment
  - ◆ 45% due to caregiver neglect, physical abuse, incapacity/absence
  - ◆ 16% for special education issues
  - ◆ 13% for emotional, mental health, or substance abuse problems
  - ◆ 26% for behavioral problems
- Teenagers typical recipients of CSA services
  - ◆ 13% of children were 19-22 years
  - ◆ 47% were 12-18 years of age
  - ◆ 22% were 7-11 years
  - ◆ 18% were 0-6 years
- 60% male; 40% female
- 53% Caucasian; 43% African American; 4% unknown
- 5% Hispanic

# CSA Children

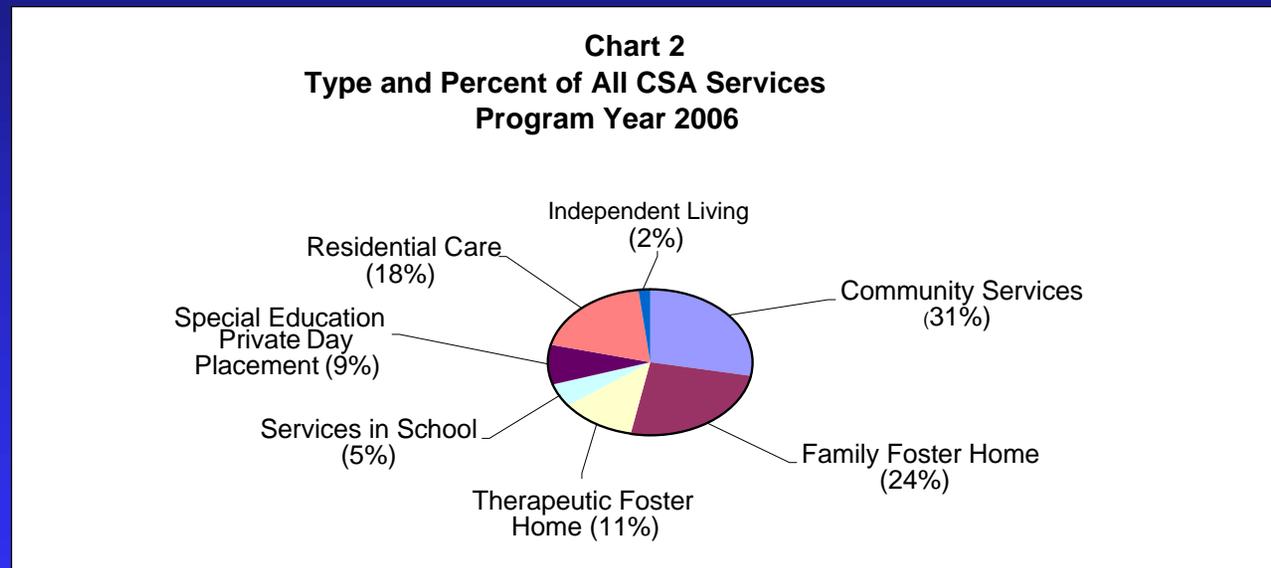
- CSA served 17,128 children statewide\*
- Number of children served has increased on average 3.8 % annually during past four years, increasing 5.5% in 2006.



\* All data program year 2006 (7/05-6/06) unless otherwise stated

# CSA Children & Services

- CSA children received broad range of services.



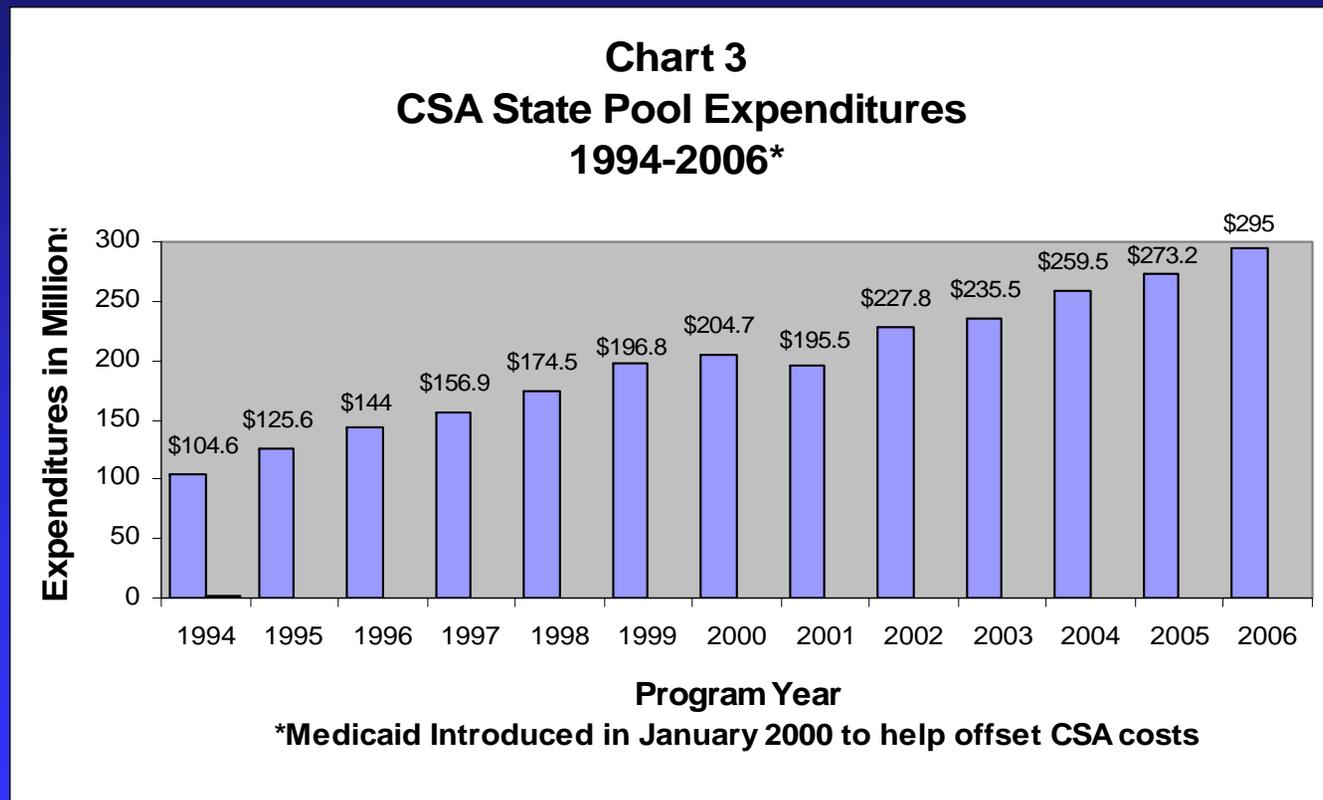
# Expenditures

## *Inherently difficult to forecast CSA costs*

- Costs driven by multiple factors, many beyond state & local control:
  - ◆ Number of mandated children in the community
  - ◆ Severity of problems
  - ◆ Availability, type and duration of services
  - ◆ Service rates
  - ◆ Availability of alternative funding sources
  - ◆ Local practices
  - ◆ Policy changes
  
- Cost of one child can unexpectedly place significant strain on a community's budget.

# Expenditures

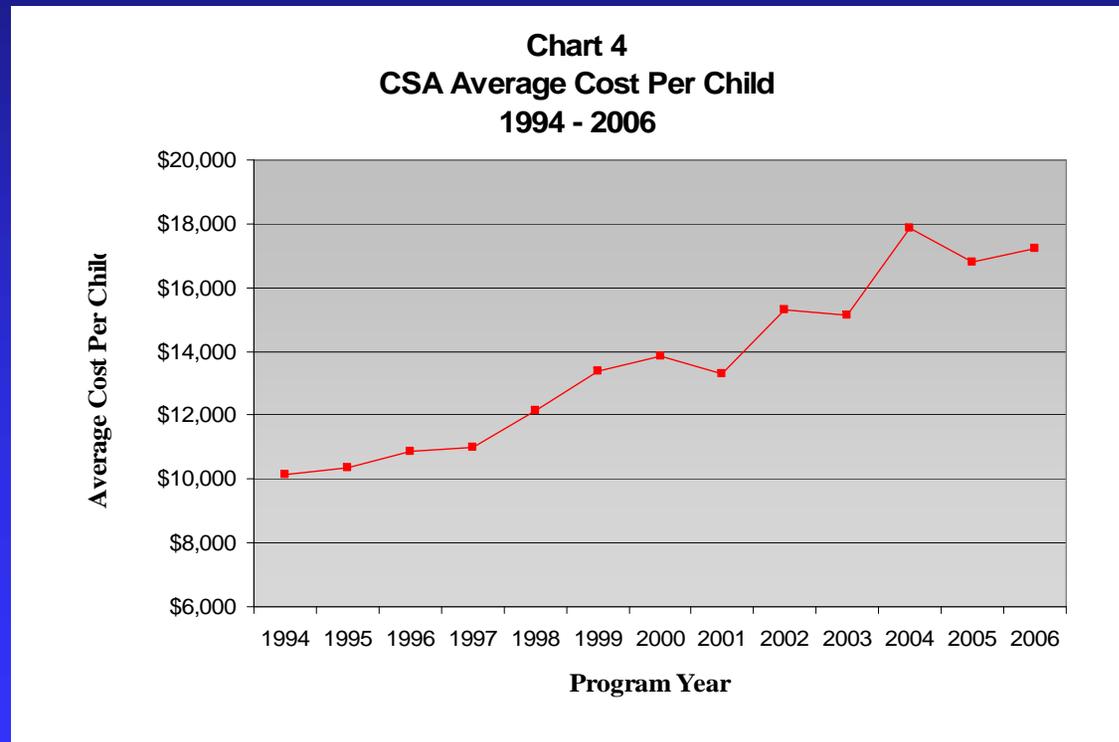
- CSA state pool expenditures increased steadily for state and local governments\* (*\$104.6 million in 1994 - \$295 million in 2006*)



\* In FY06, the average local match was 36%; the average state match was 64%. Local match ranged from 19% to 53%.

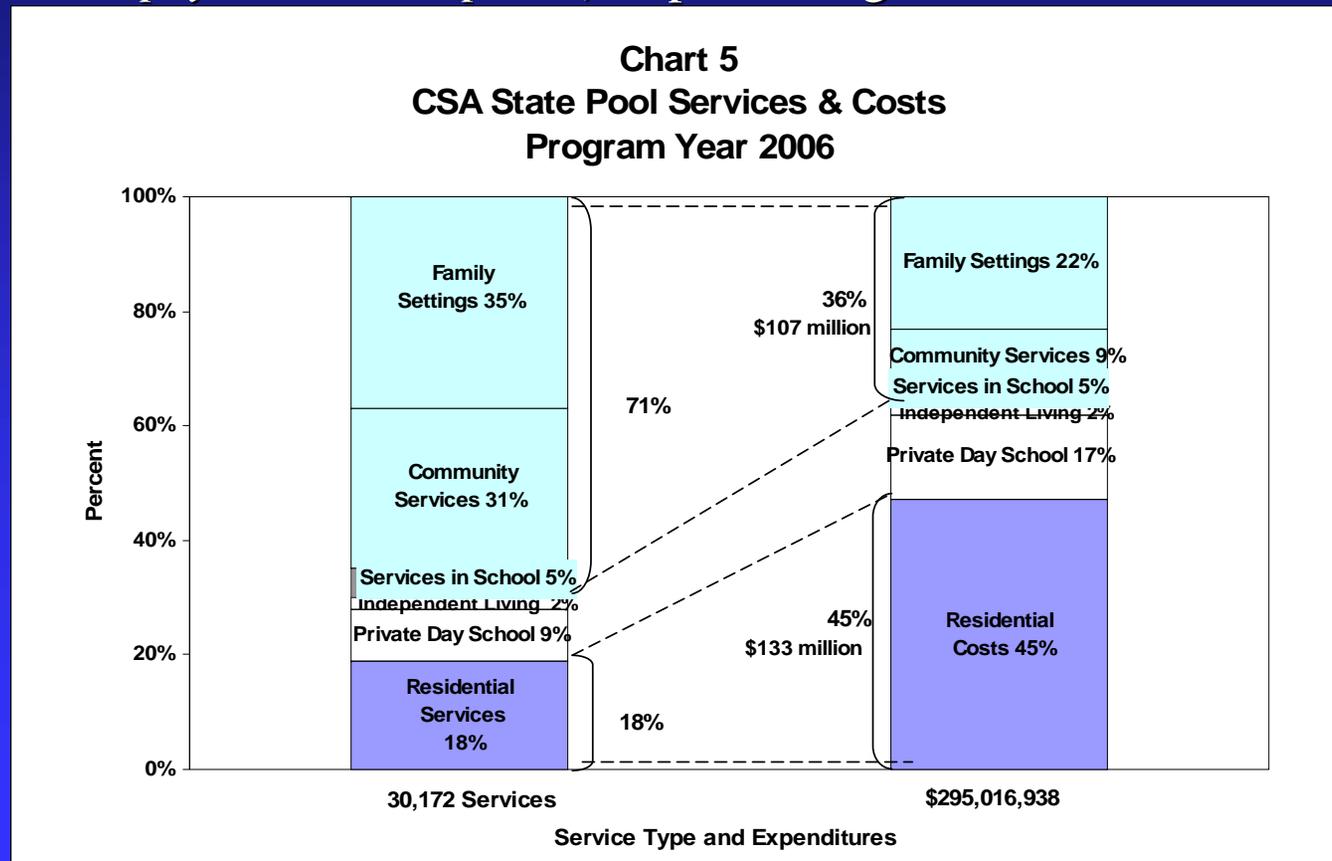
# Expenditures

- Average cost per child has increased (*\$10,129 in 1994 - \$17,225 in 2006*)



# Expenditures

- 71% of all CSA services provided in family, community and school settings, representing 36% of total pool costs.
- 18% residential services (*residential treatment facilities, group homes, psychiatric hospitals*), representing almost half of costs (45%).



# Expenditures

- While residential care is an important part of a continuum of care, one out of every four CSA children (4,275) was placed in residential care at some point during the year.
- Almost \$200 million in state, local & Medicaid funds was spent on residential care for CSA children, not including federal IV-E and other Medicaid expenditures paid during these placements.
  - ◆ Over \$133 million in CSA pool funds spent on residential care, representing almost half (45%) of all CSA expenditures (\$295 million)
  - ◆ An additional \$66.5 million in Medicaid expenditures spent on CSA children in residential treatment facilities and group homes.

# Expenditures

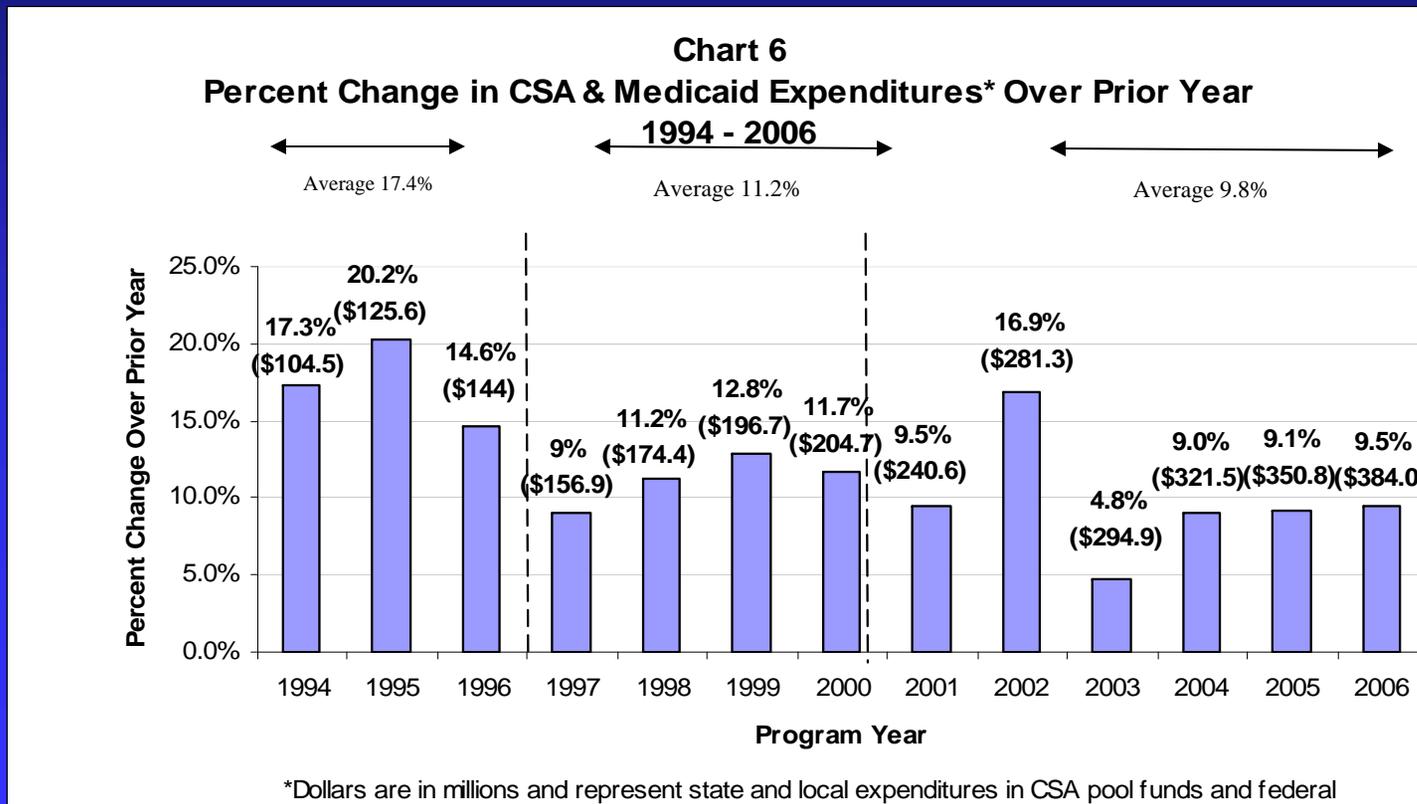
## *JLARC Study of Children's Residential Services*

- Managing residential expenditures will likely yield largest fiscal impact in controlling CSA costs.
- Some children are placed in more restrictive, intensive care than necessary, resulting in unnecessary higher costs.
  - ◆ Mismatched services can result in increased length of stay, number of placements, and mental or behavior problems.
  - ◆ Residential services are four times more costly than community services (*average annual cost of \$48,129 vs \$11,360 in 2005*).
- Service gaps appear to be the primary obstacle to serving children in the most appropriate, least restrictive setting.
  - ◆ Most critical gaps: crisis stabilization, family support and assessment.

# Expenditures

## *Declining rate of growth*

- Since implementation, the overall rate of increase over the prior year has declined from 17.4% – 9.8% in CSA and Medicaid expenditures.



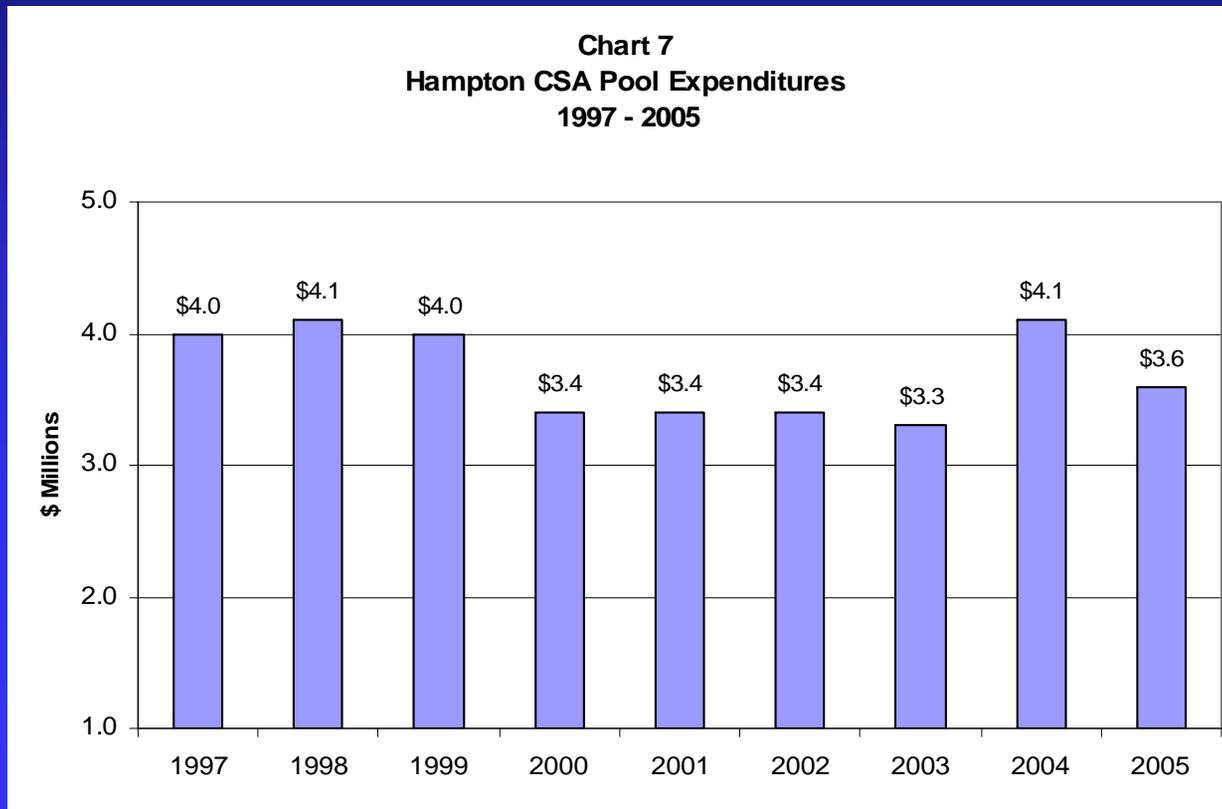
# CSA Expenditures

## *Recent changes increasing CSA costs*

- CSA paying for services no longer reimbursed by federal government
- Fewer children eligible for Title IV-E funds
  - ◆ Eligibility change - Rosales court decision (*\$1.9 million in FY07*)
  - ◆ Child & Family Services case reviews
- Medicaid change due to Federal Deficit Reduction Act - March 2007
  - ◆ Narrowed definition of case management in treatment foster care
  - ◆ Annual expenditures about \$17 million for 1,372 children
  - ◆ Estimated \$11.6 million transferring to CSA
    - ◆ FY07 (3 months): \$1.2 million state; \$0.5 million local
    - ◆ FY08: \$3.6 million state; \$2 million local
  - ◆ Budget language: examine feasibility of using Title IV-E; requires standard definitions and rates across state; report due October 1
- Custody relinquishment issue, eligible children may now access residential and community services based on needs

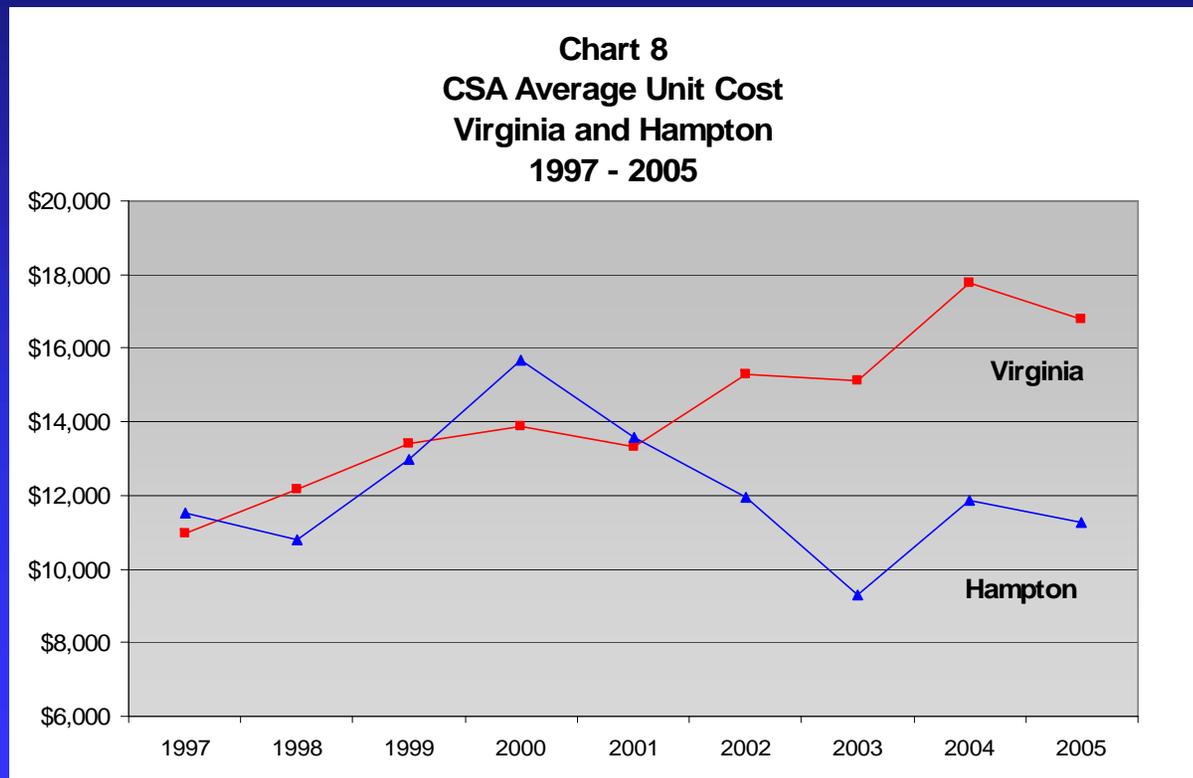
# Major Opportunities

- Hampton CSA system has controlled CSA pool costs through serving children in the community (*\$4 million in 1997 to \$3.6 million in 2005*).



# Major Opportunities

- While statewide the average unit cost for all CSA services increased, Hampton's decreased.



# Major Opportunities

## *Expanding community services*

- JLARC recommended
  - ◆ Expanding Innovative Community Services Grants
  - ◆ Allowing localities that reduce costs per child to reinvest the costs avoided & develop critically needed community services
- General Assembly - \$250,000 in FY07; \$500,000 in FY08 for competitive start-up funding to localities
  - ◆ Spark development of community services – up to 18 month grants
    - ◆ Return, or prevent, residential placements for children who can be served effectively in community
    - ◆ Transition sustainability to existing funding streams
    - ◆ Document child and family outcomes
    - ◆ Calculate costs avoided; identify strategies for reinvestment.
  - ◆ 30 proposals from half of all communities with over half (52%) of CSA children in residential care statewide; requested \$8.44 million.

# Custody Relinquishment

- CSA State Executive Council Workgroup (2004-2005)
- Attorney General's opinion (December 2006)
- Senate Bill 1332 passed with reenactment clause (2007 Session)
  - ◆ Budget language: OCS estimate number of additional children; type and costs of services; and statutory, policy or procedural changes to ensure services delivered in least restrictive and most cost effective manner
- JLARC report on custody relinquishment (March 2007)
  - ◆ Some localities interpreting CSA law too narrowly
  - ◆ State foster care prevention policy lacked legal basis and contributes to custody relinquishment
- Secretary Tavenner directed immediate action to comply with law
  - ◆ OCS, DSS & DMHMRSAS issued memo on March 27
  - ◆ OCS convened Stakeholders Group
  - ◆ Memo clarifying law & proposed interagency guidelines distributed for 60 days public comment on May 18
  - ◆ State Executive Council takes action August 8
  - ◆ Guidelines effective August 15

# Custody Relinquishment

- Families do not have to relinquish custody for eligible children to access necessary services through mandated CSA funds.
- State law mandates the provision of foster care services through the CSA state pool of funds (§2.2-5211C subdivision B3)
  - ◆ for two types of children and their families (§63.2-905)
    - ◆ “abused or neglected”
    - ◆ “children in need of services”
  - ◆ under three distinct situations (§63.2-905), when the children
    - ◆ need services to prevent/eliminate need for foster care placements;
    - ◆ are placed through an agreement between local public agency designated by the CPMT and the parents who retain legal custody;
    - ◆ are committed or entrusted by the court to local DSS or licensed child placing agency.
- Foster care services are defined as “a full range of casework, treatment and community services for a planned period of time”(§63.2-905) based on the strengths and needs of the child and family.

# Custody Relinquishment

- No changes in policy or practice for children:
  - ◆ CHINS or who have mental health needs and can be served through normal agency services and routine collaboration
  - ◆ children in need of supervision, delinquents referred by the court
  - ◆ CHINS committed or entrusted in “foster care” by the court
  - ◆ abused or neglected
  - ◆ eligible for special education services through CSA
  - ◆ eligible for nonmandated services through CSA

# Custody Relinquishment

- Changes based on law for eligible children:
  - ◆ Children shall receive complement of services based on needs
  - ◆ Duration of foster care prevention services shall be based on need, not limited to 6 months with regional approvals for extensions
  - ◆ “Children in need of services” are mandated
  - ◆ Parental agreements are mandatory if child placed out of the home
  - ◆ Child is not “in foster care” if public agency other than local DSS provides care coordination
    - ◆ Service plan must be filed with court; court review every 6 months
    - ◆ Do not need to meet other federal & state foster care requirements
    - ◆ Title IV-E funds cannot be used
- Issues being debated
  - ◆ Determination of “child in need of services”
  - ◆ Eligibility criteria
  - ◆ Court reviews
  - ◆ Final authority for placement decisions
  - ◆ Funding for intensive care coordination
  - ◆ Number of children and fiscal impact

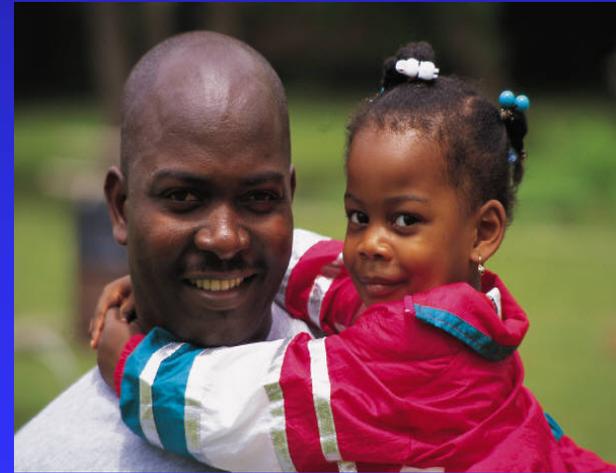
# Custody Relinquishment

*Fiscal impact being tracked; reviewing JLARC estimates*

- Foster care prevention services
  - ◆ JLARC estimate
    - ◆ 20% localities reported not using for “children in need of services”
    - ◆ 225 children at \$1.5 million annually (*\$6,690 per child in FY05*)
      - *\$0.9 million state; \$0.6 million local*
  - ◆ longer than 6 months without regional approval (*estimated small impact*)
- Parental agreements for residential placements (*JLARC estimate*)
  - ◆ JLARC estimate
    - ◆ 56% localities reported not accepting or limiting agreements
    - ◆ 615 - 753 children at \$17.3 - \$21.2 million annually (*\$28,150 per child*)
      - *\$10.9 - \$13.4 million state*
      - *\$6.4 - \$7.8 million local*
- Family Assessment & Planning Team determining “child in need of services” is eligible for CSA services and funding, as opposed to court making determination of CHINS
- Intensive care coordination with some children to coordinate effective services in home whenever appropriate



*Thank You!*



*Kim McGaughey*  
*804-662-9830*

# Attachment: Major Opportunities

## *Initiatives & momentum for major systems transformation*

- Across all branches of government
  - ◆ Joint Legislative Subcommittee on CSA
  - ◆ JLARC study on children's residential care through CSA
  - ◆ Attorney General's opinion on custody relinquishment
  - ◆ Chief Justice's Commission on Mental Health Reform
- Strengthen families & bring children home
  - ◆ First Lady's "For Keeps" Initiative on permanent family connections
  - ◆ Annie E. Casey Foundation strategic consulting – reducing out of home care and reinvesting to expand community services
  - ◆ DMHMRSAS System of Care Grants
  - ◆ DMAS Federal 5 year grant bringing children home from psychiatric residential treatment facilities
  - ◆ Commission on Youth's conference on evidenced based practices in community systems of care
  - ◆ CSA performance measure: increase proportion of children served in home, school, community. Increased from 38.44% in 2005 to 41.72% in 2006. Target is 50% by 2009.

# Attachment: Custody Relinquishment

- Virginia statute defines "child in need of services" (§16.1-228)
  - ◆ “(i) a child whose behavior, conduct or condition presents or results in a serious threat to the well-being and physical safety of the child or
  - ◆ (ii) a child under the age of 14 whose behavior, conduct or condition presents or results in a serious threat to the well-being and physical safety of another person.....
  - ◆ However, to find that a child falls within these provisions,
    - ◆ (i) the conduct complained of must present a clear and substantial danger to the child's life or health or to the life or health of another person,
    - ◆ (ii) the child or his family is in need of treatment, rehabilitation or services not presently being received, and
    - ◆ (iii) the intervention of the court is essential to provide the treatment, rehabilitation or services needed by the child or his family.”
  
- Changes apply only to “children in need of services” when:
  - ◆ need services to prevent foster care placement or
  - ◆ are placed out of home through agreement between the local public agency designated by the CPMT & parents who retain legal custody