Comprehensive Services Act for At Risk Youth & Families

Kim McGaughey

Executive Director
Office of Comprehensive Services for At Risk Youth & Families

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Overview

- CSA impetus & purpose

- FY 2007 data & trends
  - Children, services & expenditures
  - 2007 cost drivers

- Paradigm shift

- Performance to date

- Goals & results to achieve

Impetus for CSA

Department of Planning & Budget's Study of Children's Residential Services (1990)

- Costs increasing 22% annually in residential services (*for foster care & special education youth mandated sum sufficient by law*)

- Annual state shortfalls (*additional $14 million in FY 1990*)

- Complex funding structure – 14 categorical funding streams

- Over 14,000 children across 4 child serving agencies - 4,993 children

  - Over 80% involved with 2 or more agencies for residential services (*social services, schools, court services units, community services boards*)
    - 31% with 3 agencies
    - 19% with 4 agencies

  - 89% emotional and/or behavioral problems
    - 77% significant problems in school – suspended, expelled, truant, drop out
    - 50% problems with alcohol or substance abuse
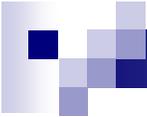
CSA Statutory Purpose

Collaborative system of services & funding
- Child-centered, family-focused, community-based & cost-effective

Preserve & strengthen families
- Enable children to remain in homes, schools & communities whenever possible
- Provide services in least restrictive environment appropriately meets needs
- Protect welfare of children & maintain public safety

Design individualized services
- Provide services that respond to strengths and needs of children & their families
- Increase family involvement & interagency collaboration
- Encourage public/private partnership in service delivery

Pool funds & allocate to community teams
- Consolidate categorical funding across agencies
- Place authority & accountability for funding/service decisions with community teams
- Provide communities flexible funds to purchase public/private services
- Maintain each agency's responsibility for normal services

CSA Children

- **Eligible children & their families**
  - Serious emotional and/or behavior problems
  - Significantly disabling in several settings
  - Need services & collaboration beyond what 2 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

- **Two thirds of children referred by social services**
  - Local social services *(64%)*
  - Schools *(21%)*
  - Court service units *(7%)*
  - Community service boards *(4%)*
  - Other *(5%)*

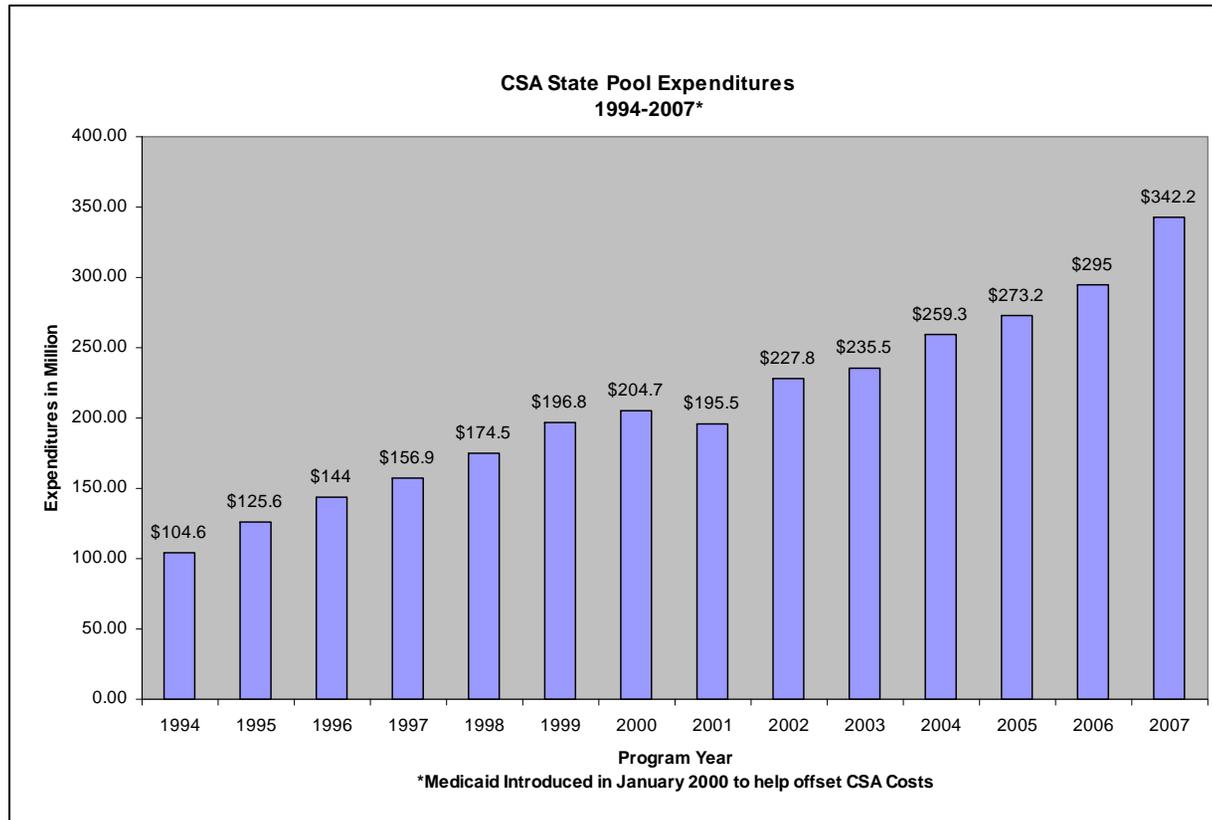**Number of CSA Youth by Referral Sources 2004-2007**
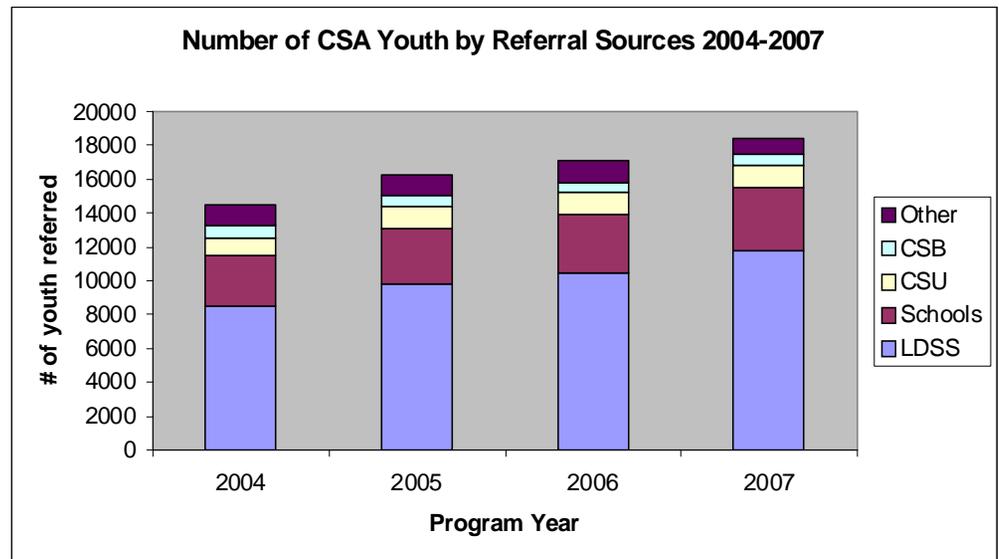
CSA Children

- 18,458 children served in FY07

- Demographics
  - Average age: 12 years 8 months
  - 59% male; 41% female
  - 53% Caucasian; 41% African American; 4% unknown
  - 4% Hispanic

- Primary reasons for services at last assessment
  - 49% due to caregiver neglect, physical abuse, incapacity/absence
  - 18% for behavioral problems
  - 15% for special education issues
  - 14% for emotional, mental health, or substance abuse problems
  - 6% court involvement
  - 2% truancy or runaway

- 42% of all CSA children *(7,700)* had either mental health diagnoses and/or received psychotropic medications
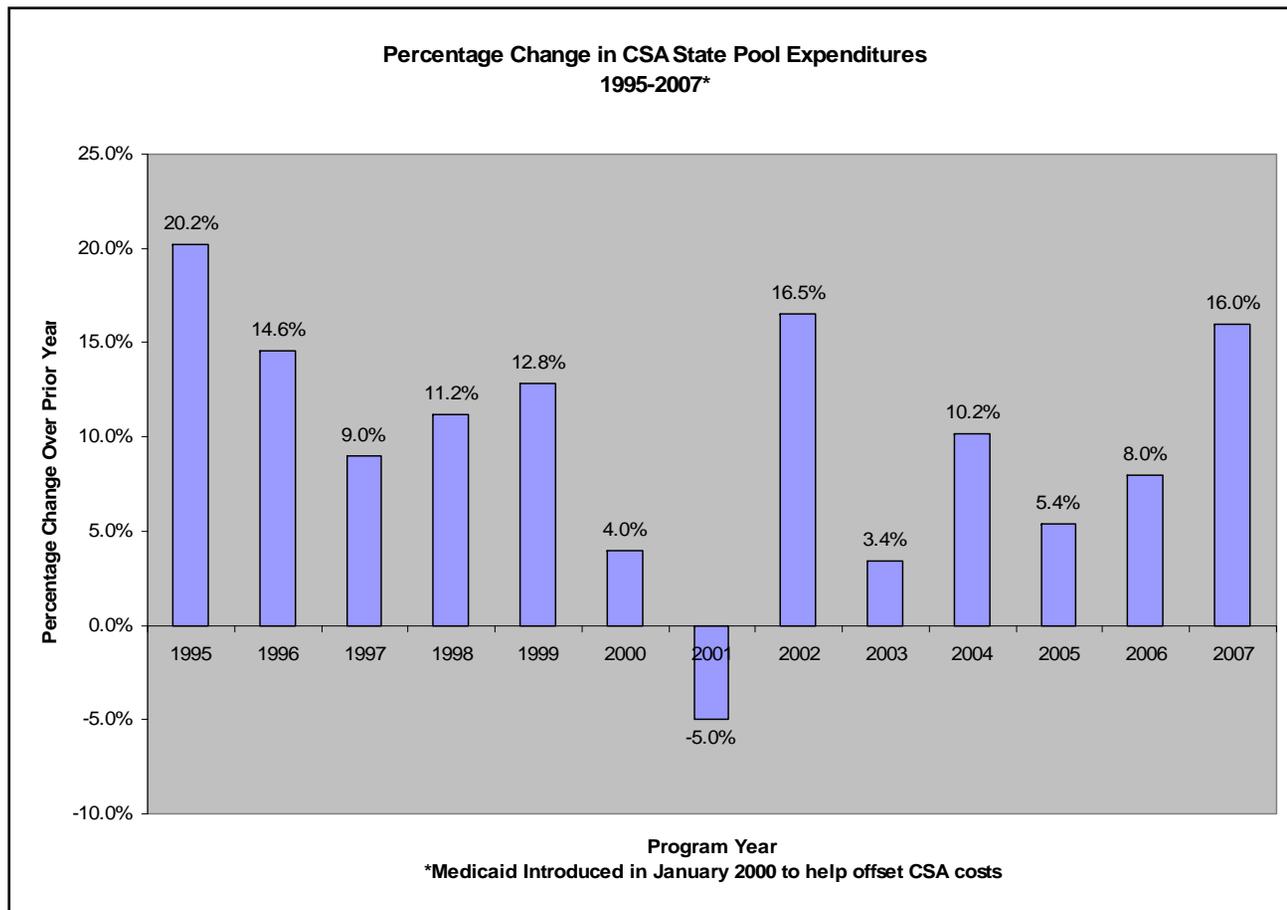
CSA Expenditures

- $342.2 million in FY07 *($219.7 state; $122.5 local)*
- $47.2 million increase *($30.2 million state; $17 million local)*

CSA State Pool Expenditures
1994-2007*

Expenditures in Million

Year	Value
1994	$104.6
1995	$125.6
1996	$144
1997	$156.9
1998	$174.5
1999	$196.8
2000	$204.7
2001	$195.5
2002	$227.8
2003	$235.5
2004	$259.3
2005	$273.2
2006	$295
2007	$342.2

Program Year
***Medicaid Introduced in January 2000 to help offset CSA Costs**
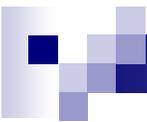
* In FY07, average local match was 36%; average state match was 64%; ranging from 17% to 53%.

CSA Expenditures

- 16% increase in FY07 CSA pool expenditures over FY06.

- Dramatic fluctuations in the past 13 years in percent change over prior year, 7.9% average increase across prior 3 years.

Percentage Change in CSA State Pool Expenditures
1995-2007*

Year	% Change
1995	20.2%
1996	14.6%
1997	9.0%
1998	11.2%
1999	12.8%
2000	4.0%
2001	-5.0%
2002	16.5%
2003	3.4%
2004	10.2%
2005	5.4%
2006	8.0%
2007	16.0%

Percentage Change Over Prior Year

Program Year
*Medicaid Introduced in January 2000 to help offset CSA costs

CSA Expenditures

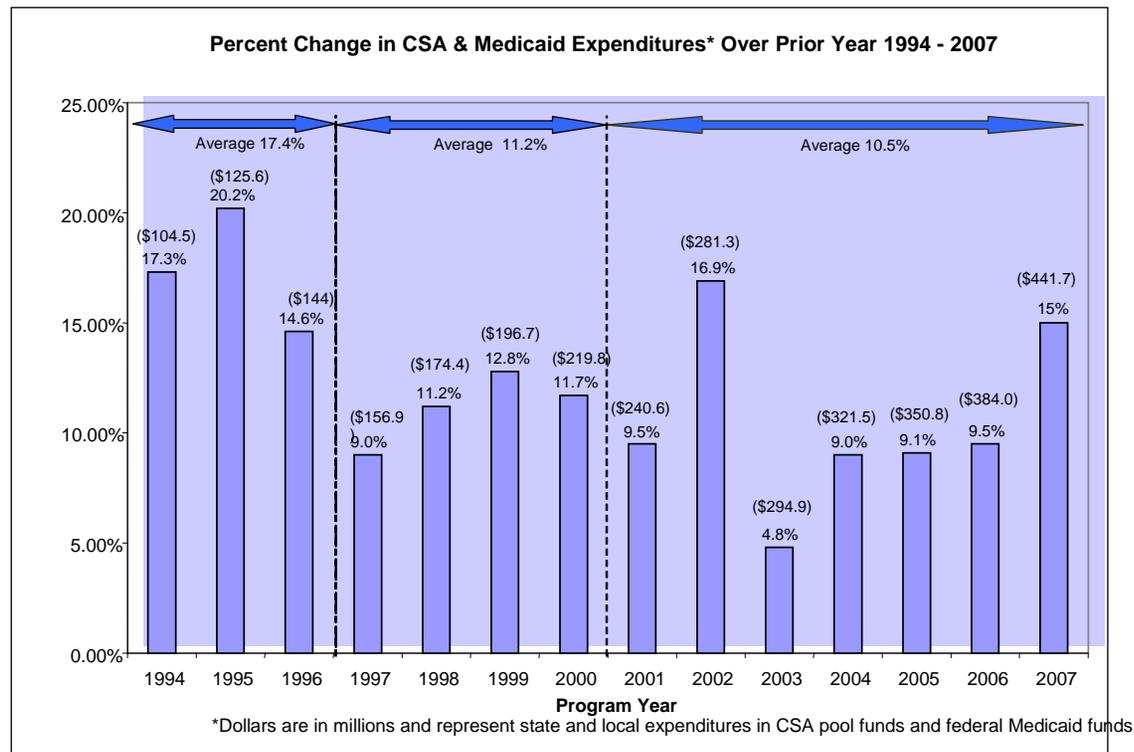*Inherently difficult to forecast CSA costs*

- Costs driven by multiple factors, some beyond state & local control
  - ☐ Number of mandated children in community
  - ☐ Severity of problems
  - ☐ Availability, type & 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.

CSA Expenditures

Declining rate of growth

- Prior to CSA, program costs increased 22% annually from FY1989-1993, except for one year *(JLARC 1998).*

- Since implementation, the overall rate of increase over the prior year declined from 17.4% – 10.5% in CSA & Medicaid expenditures

- Averaged 9.2% annually the past three years until 15% increase FY07.

Percent Change in CSA & Medicaid Expenditures* Over Prior Year 1994 - 2007

Average 17.4%   Average 11.2%   Average 10.5%

($104.5) 17.3%
($125.6) 20.2%
($144) 14.6%
($156.9) 9.0%
($174.4) 11.2%
($196.7) 12.8%
($219.8) 11.7%
($240.6) 9.5%
($281.3) 16.9%
($294.9) 4.8%
($321.5) 9.0%
($350.8) 9.1%
($384.0) 9.5%
($441.7) 15%

Program Year

*Dollars are in millions and represent state and local expenditures in CSA pool funds and federal Medicaid funds

Overview of FY07 Cost Drivers

- 1330 more children in FY07; more days in services

- Federal policy changes shifted costs to state & local governments
  - Deficit Reduction Act - Medicaid Treatment Foster Care - $3.6 million in FY07; $16.4 million could shift in FY08
  - Title IV-E eligibility change - Rosales court decision - $1.9 million
  - Title IV-E case reviews by DSS Child & Family Services

- State policy changes
  - Family foster care rate increase - $1.5 million in FY07
  - Complying with law on custody relinquishment - $14.3 million in FY08.

- Increased utilization of more intensive services
  - Residential care
  - Special education private day programs

- Increased intensity of services
  - 78 more children cost over $100,000
  - 82 more children had special education disability of autism

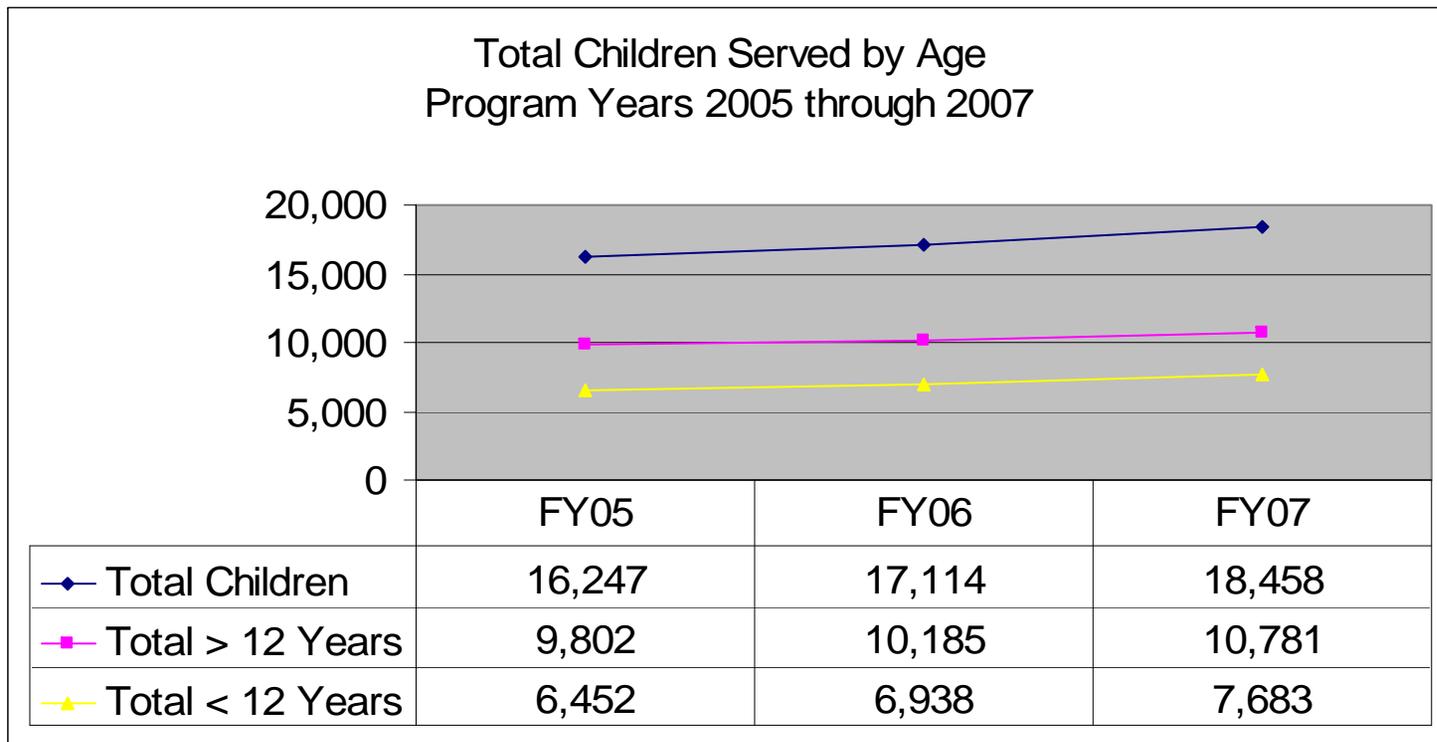- Normal increased costs of services

CSA Cost Driver: Children

- 7.8% increase in children *(1,330 more)* over FY06

- 52% of total cost increase at $18,542 cost/child *($24.7m of $47.2 m)*

Growth in Number of CSA Children Served 1994-2007
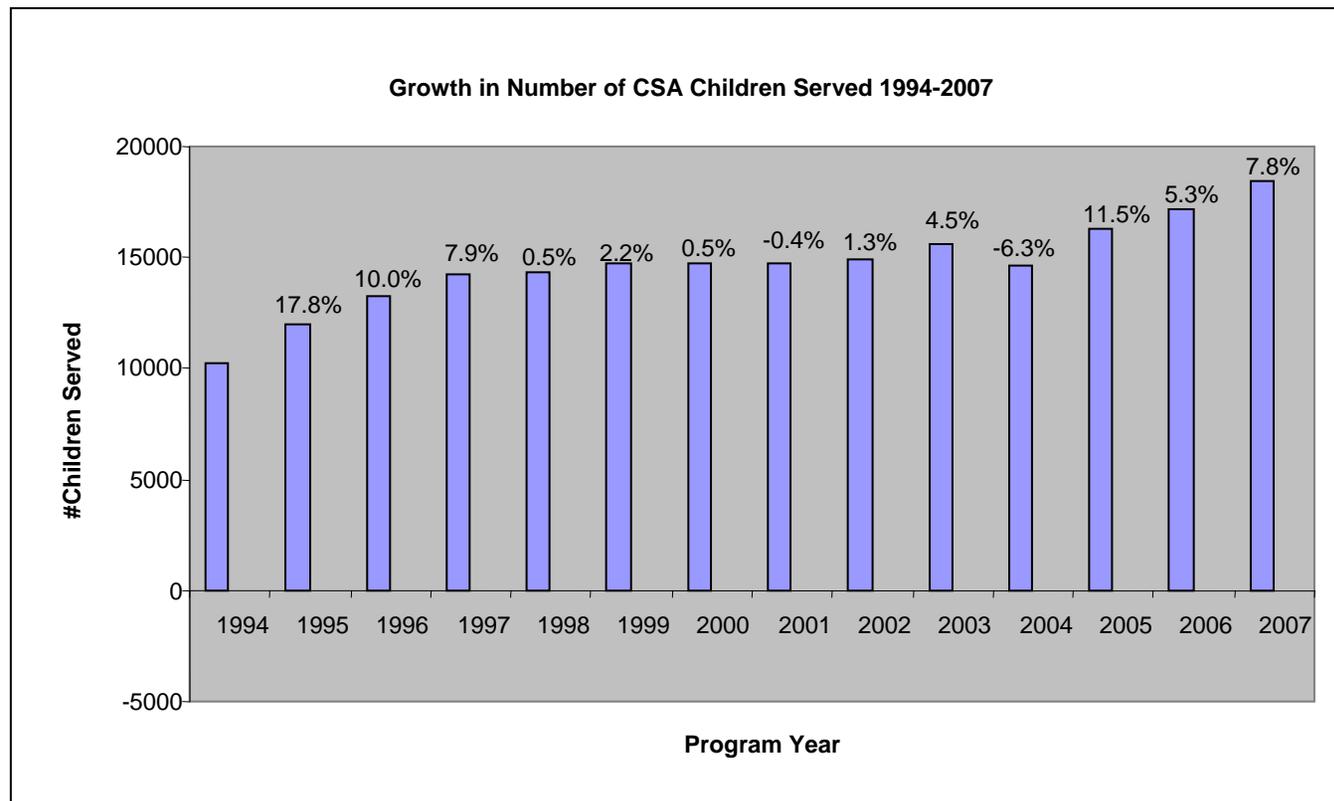
* All data program year 2007 *(7/06-6/07)* unless otherwise stated

CSA Cost Driver: Children

- 58% of CSA children were over age 12

Total Children Served by Age
Program Years 2005 through 2007

	FY05	FY06	FY07
Total Children	16,247	17,114	18,458
Total > 12 Years	9,802	10,185	10,781
Total < 12 Years	6,452	6,938	7,683

CSA Cost Driver: Children

■ Teens cost almost twice as much as younger children.

Child Per Diem Cost; All Services
Program Years 2005 through 2007
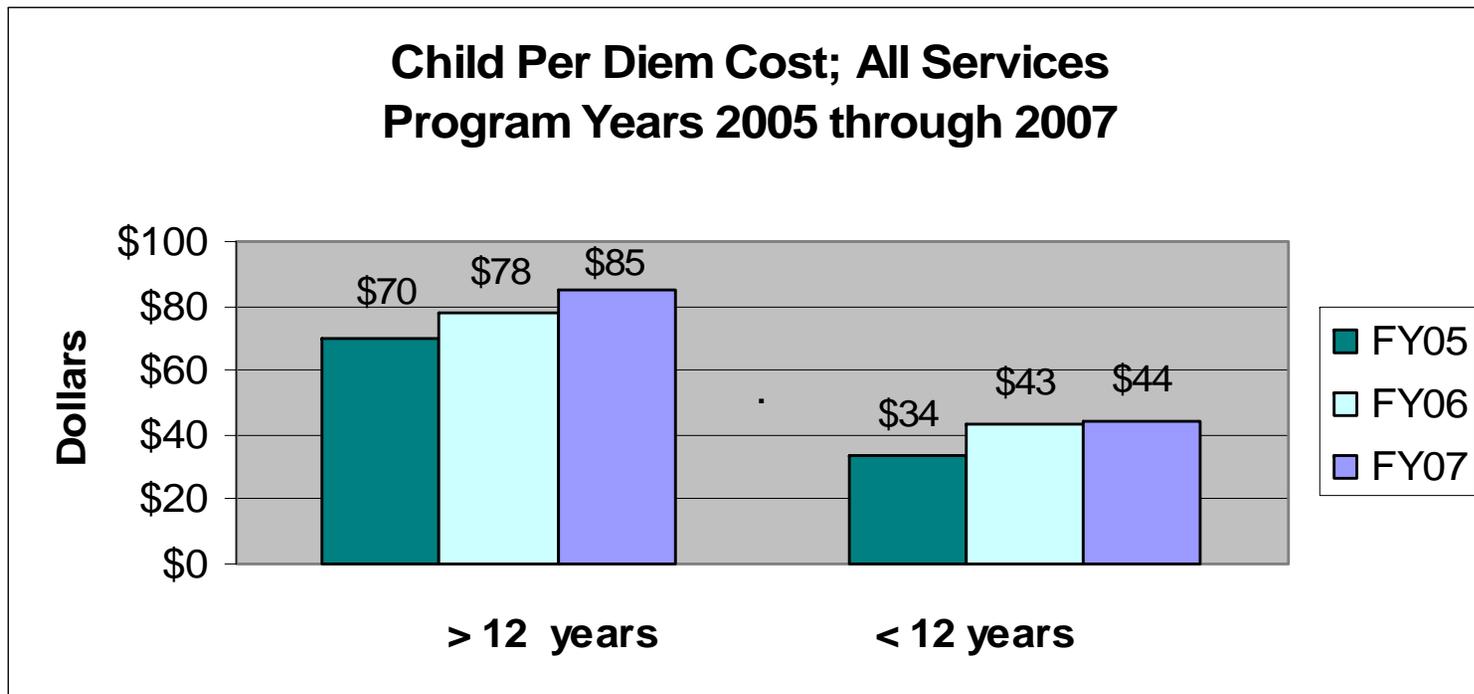
* CSA state/local per diem costs only; does not include Medicaid, Title IV-E costs
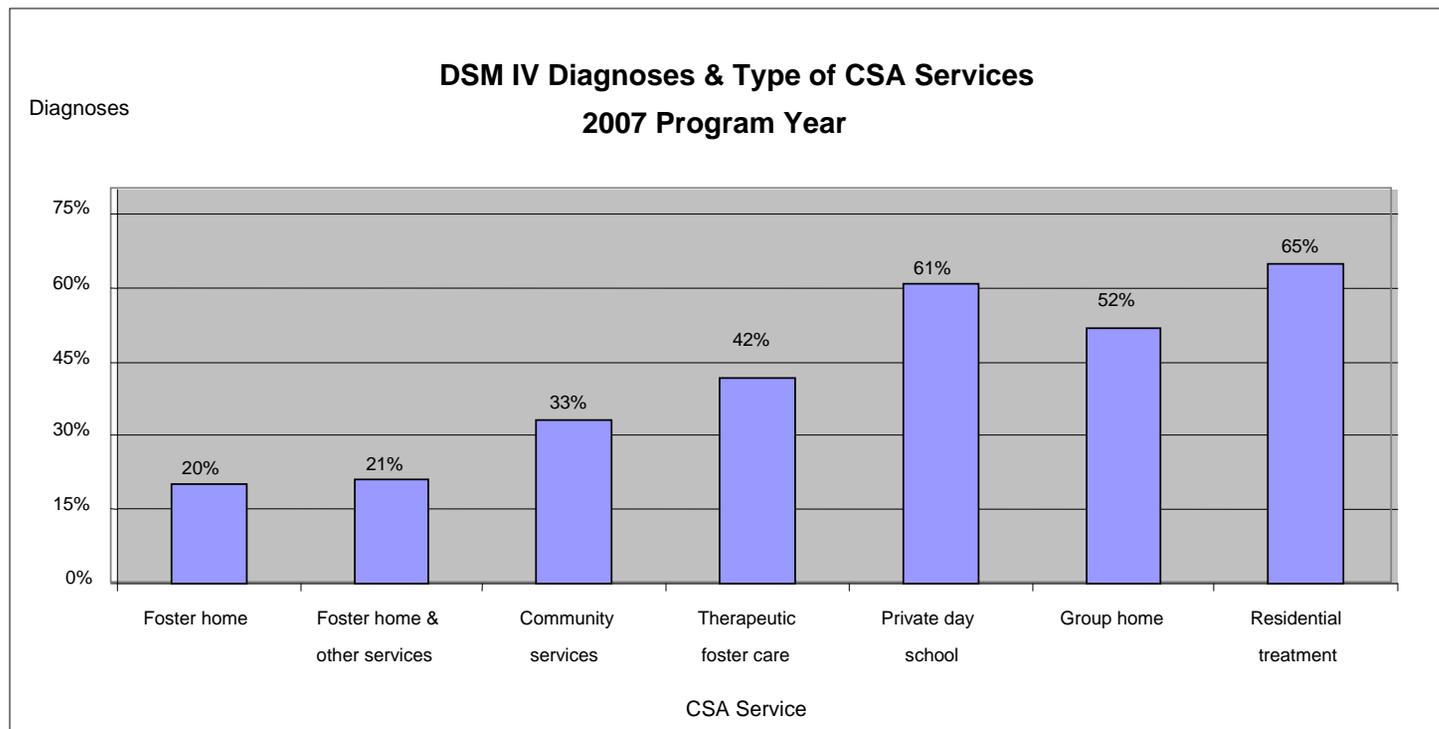
CSA Cost Driver: Children

- Older teens were placed in more restrictive settings *(special education private day schools, group homes and residential treatment facilities).*
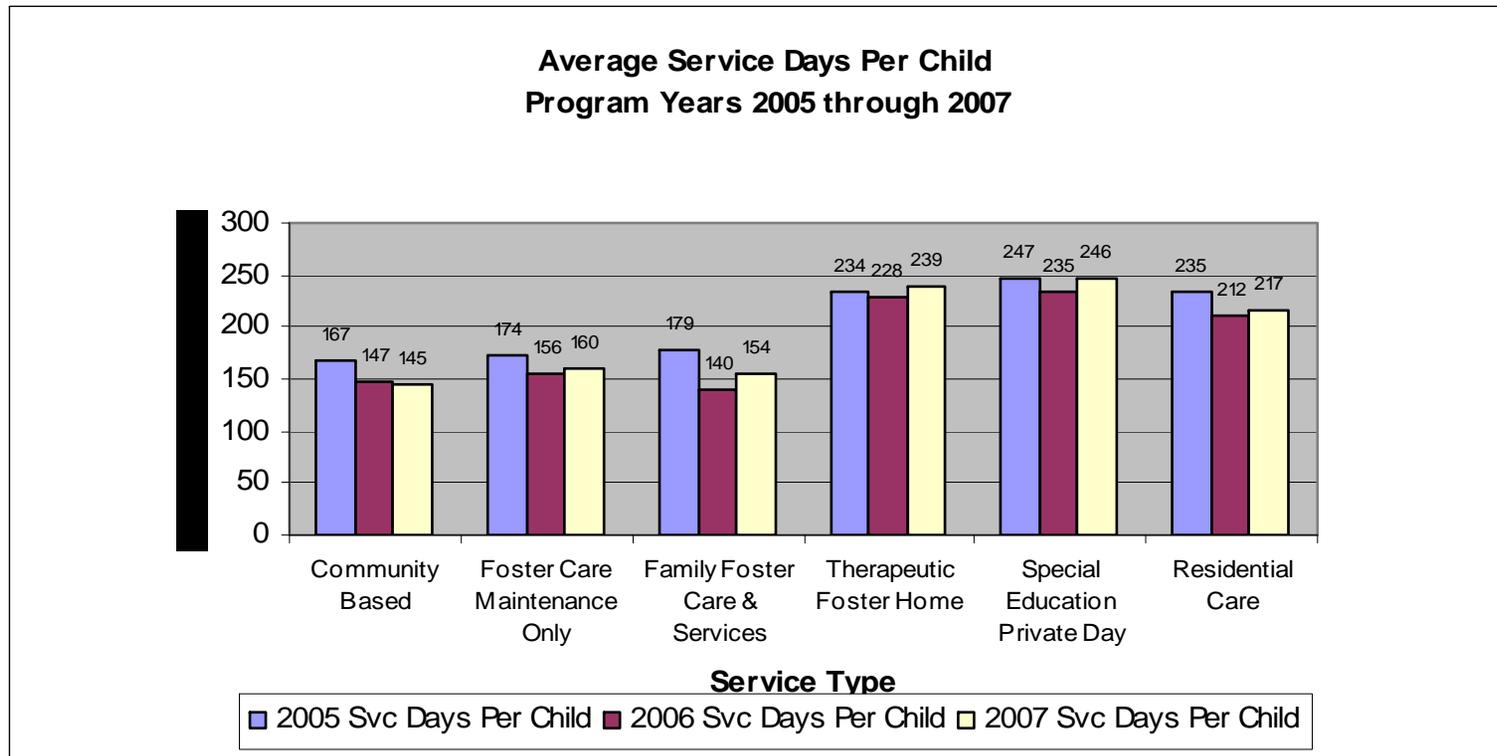
Average Age of Children by CSA Service Types

2007 Program Year
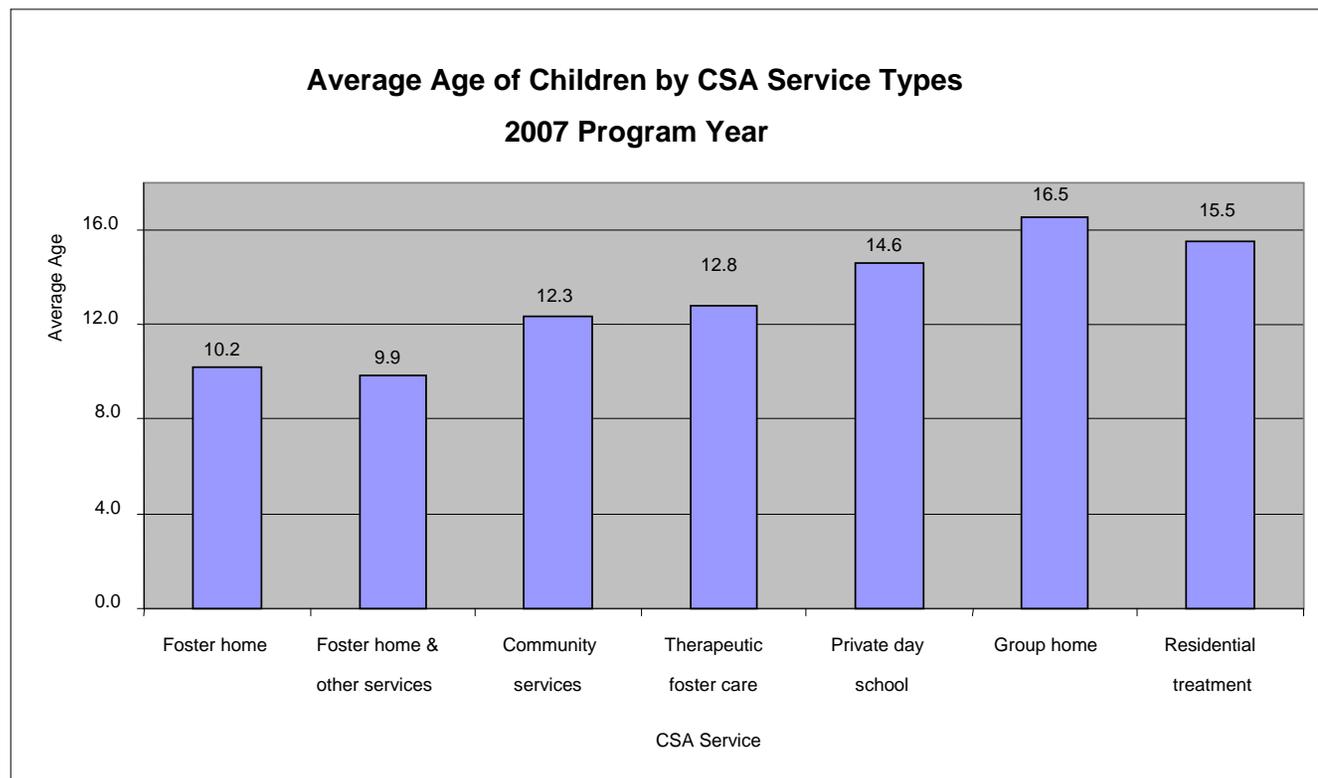
CSA Cost Driver: Children

- Youth with diagnosed mental health problems were placed more often in intensive and restrictive settings.

DSM IV Diagnoses & Type of CSA Services

2007 Program Year

Diagnoses

CSA Service	Percentage
Foster home	20%
Foster home & other services	21%
Community services	33%
Therapeutic foster care	42%
Private day school	61%
Group home	52%
Residential treatment	65%

- $221.8 million *(63% of CSA expenditures)* was spent on 42% of all CSA children who had mental health diagnoses and/or received psychotropic medications.
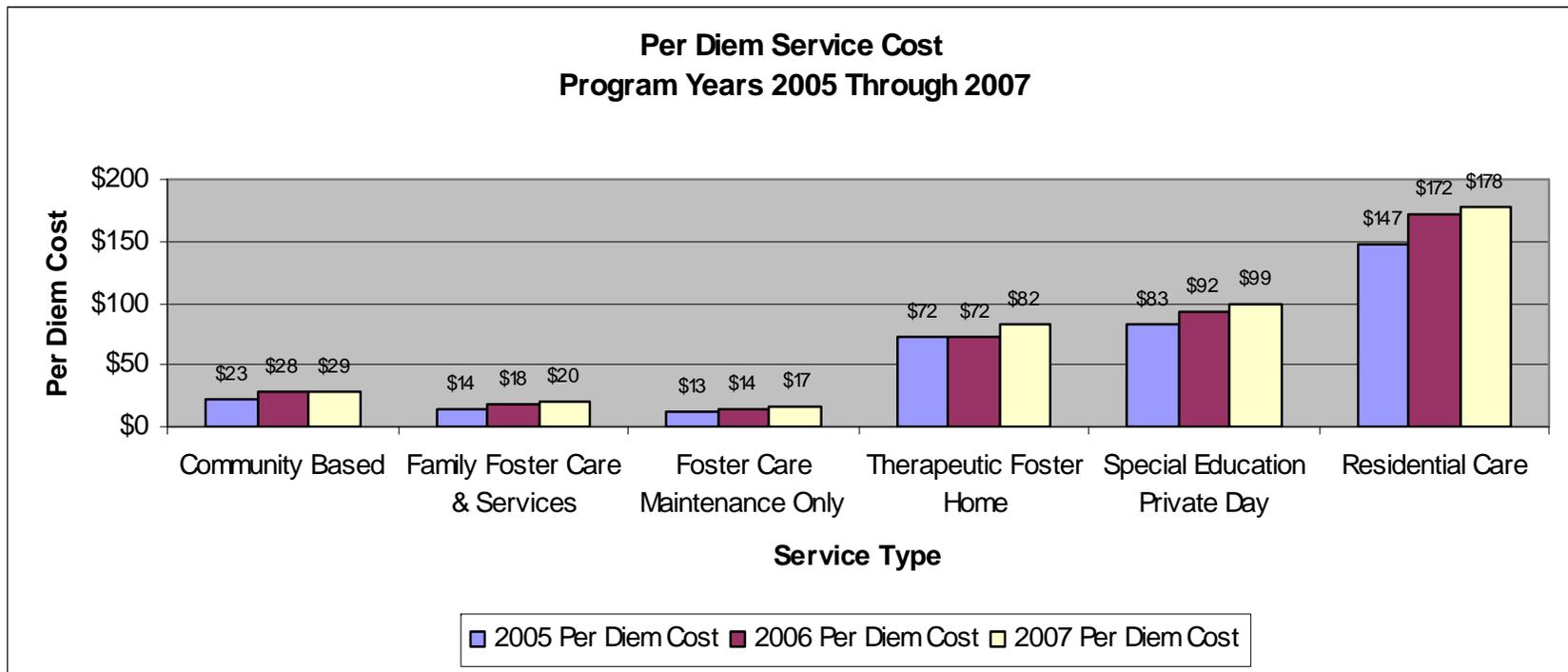
Cost Driver: Length of Stay

■ Children stayed in most services longer in FY07 than in FY06, although not as long as FY05.

Average Service Days Per Child
Program Years 2005 through 2007

Service Type	2005 Svc Days Per Child	2006 Svc Days Per Child	2007 Svc Days Per Child
Community Based	167	147	145
Foster Care Maintenance Only	174	156	160
Family Foster Care & Services	179	140	154
Therapeutic Foster Home	234	228	239
Special Education Private Day	247	235	246
Residential Care	235	212	217

Cost Driver: Service Type

- Most CSA services *(72%)* are community-based or in family settings, but intensive services cost significantly more.

Per Diem Service Cost
Program Years 2005 Through 2007

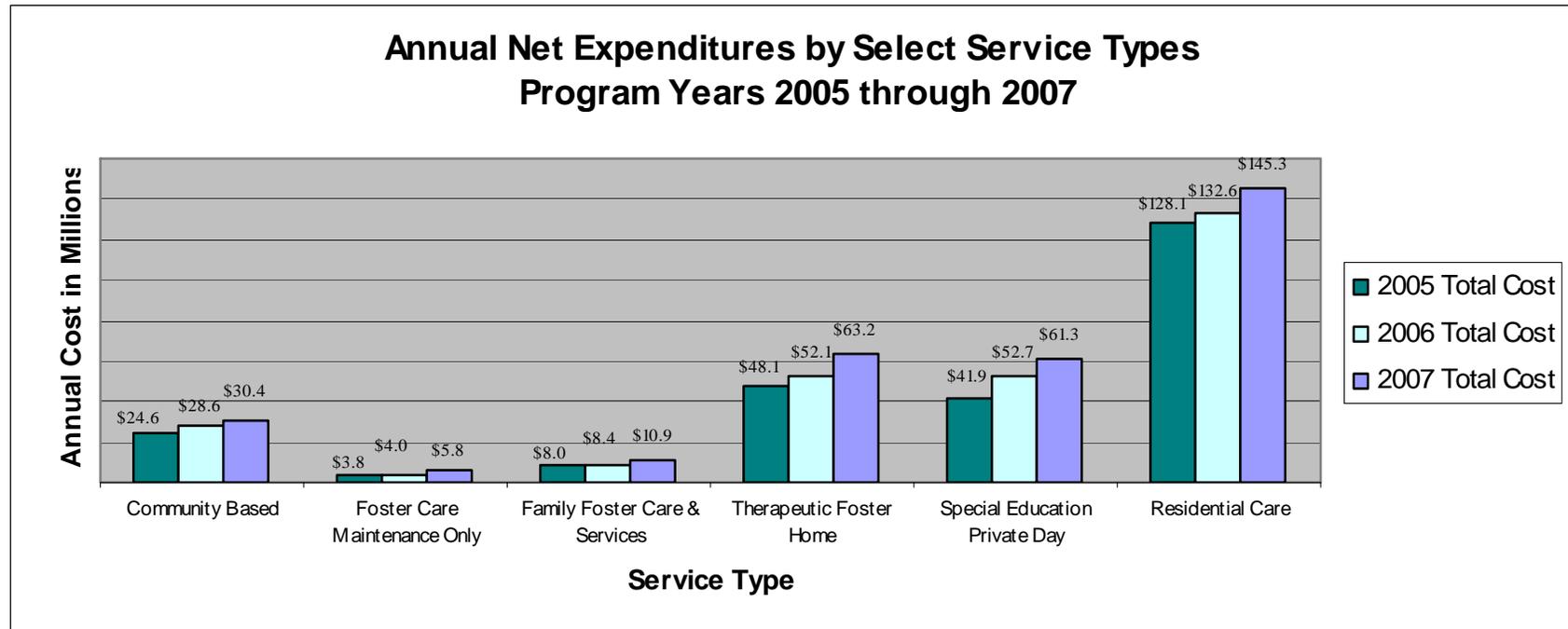| Service Type	2005 Per Diem Cost	2006 Per Diem Cost	2007 Per Diem Cost
Community Based	$23	$28	$29
Family Foster Care & Services	$14	$18	$20
Foster Care Maintenance Only	$13	$14	$17
Therapeutic Foster Home	$72	$72	$82
Special Education Private Day	$83	$92	$99
Residential Care	$147	$172	$178

Cost Driver: Service Type

- 26% intensive services accounted for 60% of all CSA expenditures.
  - 17% residential services *(residential treatment facilities, group homes, psychiatric hospitals)* represented 42.4% of expenditures.
  - 9% of special education private day placements represented 18% of expenditures.

CSA State Pool Services & Costs Program Year 2007
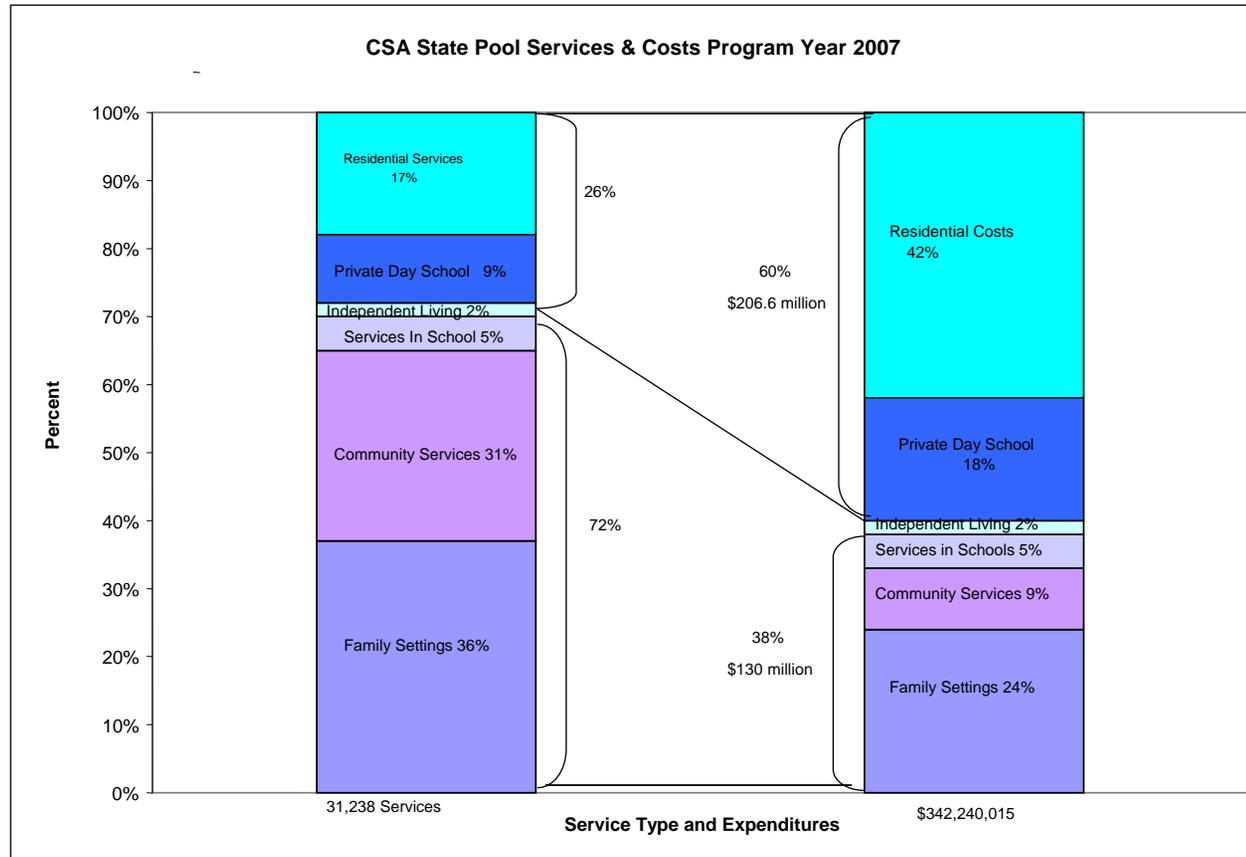
Cost Driver: Service Type

- Analyzing costs by service type, 78% of increase was from three most intensive CSA services *($36.7 million of $47.2 million)*

  ☐ Therapeutic foster care increased $13.2 million

  ☐ Special education private day increased $10.8 million

  ☐ Residential care expenditures increased $12.7 million

Annual Net Expenditures by Select Service Types
Program Years 2005 through 2007

Legend:
- 2005 Total Cost
- 2006 Total Cost
- 2007 Total Cost

Y-axis: Annual Cost in Millions
X-axis: Service Type

Service Type	2005	2006	2007
Community Based	$24.6	$28.6	$30.4
Foster Care Maintenance Only	$3.8	$4.0	$5.8
Family Foster Care & Services	$8.0	$8.4	$10.9
Therapeutic Foster Home	$48.1	$52.1	$63.2
Special Education Private Day	$41.9	$52.7	$61.3
Residential Care	$128.1	$132.6	$145.3

* CSA state/local net expenditures only; does not include Medicaid, Title IV-E costs

CSA Cost Driver

- Therapeutic foster care costs increased 26% over FY06
    - $13.2 million more was spent than FY06 *($63.2 million)*
    - 4.8% more children *(155 at $18,871 per child)* - $2.9 million
    - Medicaid costs shifted to CSA during last 4 months due to federal policy change narrowing definition of case management *($3.6 million)*
    - 13.9% increase in per diem rate from $72 *(FY06)* to $82 *(FY07)*

- DSS completing common statewide definitions & rate structure to appropriately claim federal Title IV-E for some costs beginning July 2008.

CSA Cost Driver

- Special education private day placements increased 21% for each of the last two years
  - □ $10.8 million more spent in FY07 *($61.3 million)*
  - □ More children stayed longer at higher daily rate
    - 6.2% more children *(151 at $23,563 per child)* - $3.6 million
    - 11 days longer in placement on average, at $99 per day.
    - 7.6% increase in per diem rate *($7 more per day)*

- More schools opening
  - □ 5 new schools licensed in FY06
  - □ 7 schools in FY07
  - □ 10 schools by January 2008; 16 total applied for licensure in FY08

- State Executive Council is examining increased supply, utilization & expenditures; will implement changes to improve educational outcomes while controlling rate of growth.

CSA Cost Driver

- Residential care increased 9.6% over FY06
  - $12.7 million more spent; $145.3 million total during FY07
 - 42.4% of CSA net expenditures were residential care, down from 45% in both FY05 and FY06

**Percent of Residential Care in
Total CSA Expenditures
($342.2 million)**

Residential
Expenditures
($145.3 million)

Non residential
Expenditures
($196.9 million)
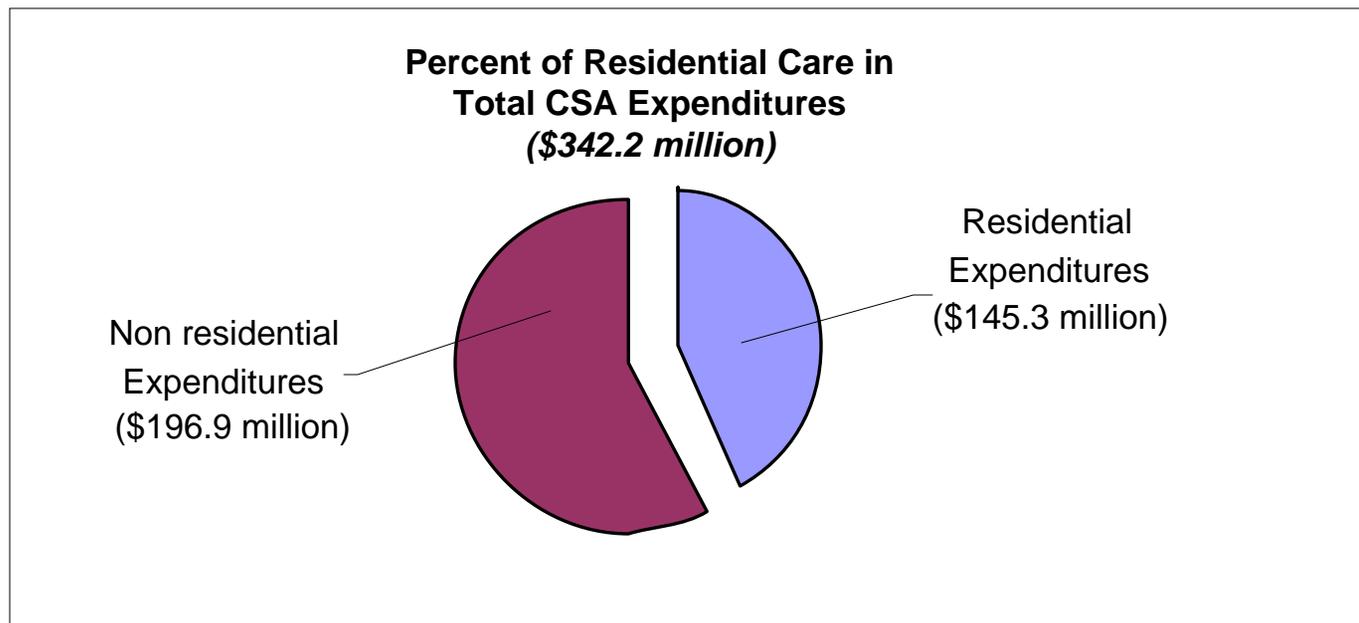
CSA Cost Driver: Residential Care

- Almost $231 million in state, local & Medicaid funds spent on residential care for CSA children.
    - Over $145.3 million in CSA pool funds
    - An additional $85.8 million in Medicaid expenditures spent on CSA children in residential treatment facilities and group homes.
    - Does not include Federal IV-E and other Medicaid expenditures paid during placements.

- Thus, 16% increase over FY06 when $199.1 million was spent.

- JLARC concluded managing residential expenditures will likely yield largest fiscal impact in controlling CSA costs

CSA Cost Driver: Residential Care

- 70.2% residential care expenditures were spent on psychiatric treatment facilities and campus style programs in FY07
  - CSA expenditures increased by 9% over FY06
  - Number of children decreased by 3.7% *(113 fewer children at 2,971);*
  - Length of stay increased 12 days *(average 6.7 months at 209 days);*
 - Average CSA cost per child increased 13.1% to $34,332

Residential in FY07
Expenditures in Millions

Psychiatric
hospitals, $1.6

Group homes, $41.6

Residential
treatment facilities,
$102
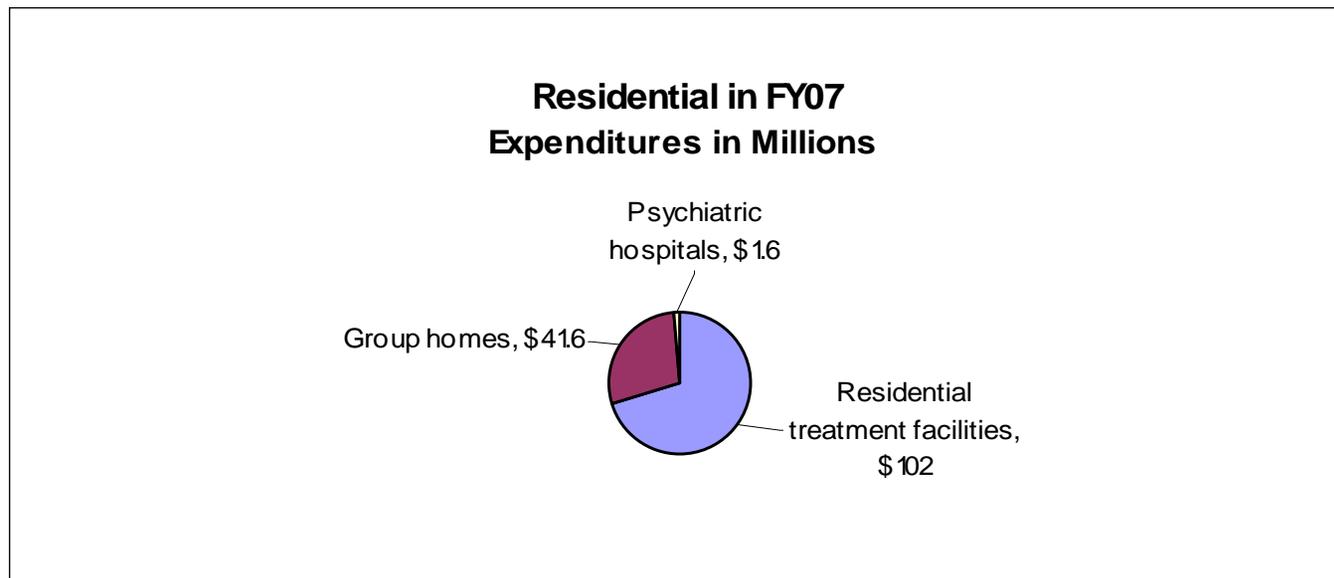
CSA Cost Driver: Residential Care

4,301 children in residential care in FY07

- 60% had mental health diagnosis; almost half *(47%)* took psychotropic medications for mental health issues.

- Primary reasons for services at last assessment
    - 29% due to caregiver neglect, physical abuse, incapacity/absence;
    - 24% due to behavioral issues;
    - 16% for emotional, mental health, or substance abuse problems;
    - 11% for court involvement or illegal activity;
    - 10% for special education issues;
    - 4% for truancy or runaway issues;
    - 4% for sex offender issues; and
    - 2% for physical aggression or property destruction.

Paradigm Shift

■ While statewide average unit cost for CSA services increased to $18,547 per child, Hampton's stayed under $12,000 through 2006.

CSA Average Unit Cost
Virginia and Hampton
1995 - 2006
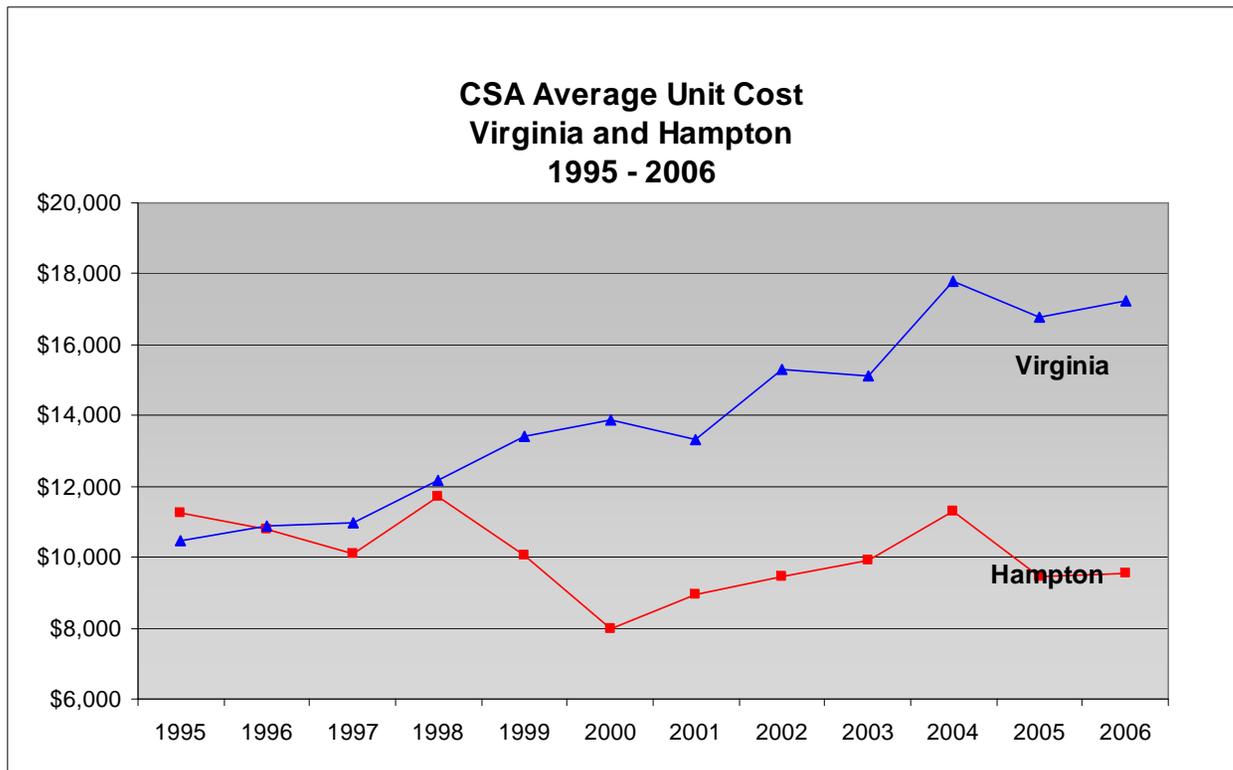
Paradigm Shift

Traditional Approach		System of Care
Agency silos	→	Collaborative teams
Reactive & crisis-oriented	→	Assess & intervene earlier
Blame/not involve family	→	Engage family as partners
Reliance on restrictive services	→	Reliance on family/community services
Child out of home/community	→	Child in home/community
Fragmented services	→	Care coordinator across systems
Agency accountable	→	Community accountable
Agencies protecting resources	→	Pooling resources across sectors
Escalating expenditures	→	Controlling costs; reinvesting
Lack of accountability	→	Tracking outcomes & expenditures

Innovative Community Services Grants

- General Assembly - $250,000 in FY07; $500,000 in FY08 for competitive start-up funding to localities

- Grants up to 24 months to start innovative services in families, schools & communities
  - Return, or prevent, residential placements for children who can be served effectively in community
  - Transition sustainability of grant funds to purchase of service dollars and other funds
  - Document child & family outcomes
  - Calculate costs avoided; identify strategies for reinvestment.

- 30 proposals from half of all communities, requesting $8.44 million. Over half *(52%)* of all CSA children in residential care

- Six grants awarded to 16 communities in January 2007; staff hired beginning April *(status after 7-8 months attached)*

- Requests for proposals for next round of grants distributed soon.

FY07 Statewide Service Gaps*

Top 20 Service Gaps Ranked by CSA Census**

1 Crisis intervention
2 Mental health day treatment
3 Wrap-around services
4 Regular foster care
5 Parent & family mentoring
6 Intensive substance abuse services
7 Respite
8 Short-term diagnostic assessment
9 Group home care
10 Residential treatment

11 Psychiatric assessment
12 Transportation
13 Supervised independent living
14 Emergency shelter care
15 Family assessment
16 Parenting/family skills
17 After school programs
18 Alternative ed. day program
19 Substance abuse prevention
20 Therapeutic foster care

 * Top regional service gaps attached

** Individual locality reports weighted by local CSA census

CSA Performance to Date

- Increase proportion of children served in homes, schools & communities
  - 38.4% of children in FY05
  - 41.7% in FY06
  - 40.9% in FY07
  - Target 50% by FY09

- Decrease percentage of children who are in residential care
  - 25% in FY05 and FY06
  - 23.3% in FY07
  - National average 18%
  - Best practices 10%

- Decrease percentage of CSA expenditures on residential care
  - 46.9% in FY05 *($128.1 of $273.2 million)*
  - 45% in FY06 *($132.6 of $295 million)*
  - 42.4% in FY07 *($145.3 of $342.2 million)*
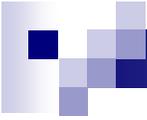
CSA Performance to Date

- Reductions in residential care can be achieved through
  - □ Reduced number of children
    - 4,041 children in FY05
    - 4,272 children in FY06 - 5.7% increase *(231 more children)*
    - 4,301 children in FY07 - 0.7% increase *(29 more children)*
  - □ Reduced length of stay
    - 234 days in FY05
    - 211 days in FY06 – 23 day decrease
    - 217 days *(7 months)* in FY07 – 6 day increase

- Special education private day placements
  - □ 2,150 children in FY05
  - □ 2,645 children in FY06 - 23% increase *(495 more children)*
  - □ 2,796 children in FY07 - 5.8% increase *(151 more children)*

- Outcome data critical to ensure children are appropriately and effectively served *(CANS tool)*
  - □ Percentage of children making progress
  - □ Percentage of children succeeding in school
  - □ Percentage of families satisfied with services

CSA Goals & Results to Achieve

Goal 1: Transition system to serving children in home, school & community

- Improved outcomes for children and families
- Increased appropriate placements for children
- Increased proportion of CSA children served in home, school and community
- Reduced rate of growth in CSA expenditures

**Goal 2**: Strengthen state & community CSA systems

- Increased effectiveness of community teams
- Implemented statewide best practices models
- Instituted statewide training system for CSA

**Goal 3:** Manage strong financial infrastructure

- Increased use of alternative funding
- Increased pooling of resources across systems
- Reduced rate of growth in CSA pool expenditures

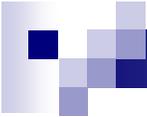**Goal 4:** Improve decision making based on sound information

- Enhanced CSA data set
- Transitioned to new assessment tool for outcomes
- Replaced service fee directory
- Conducted community services gap survey annually
- Improved accountability *(performance & management reports for localities)*
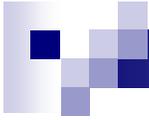
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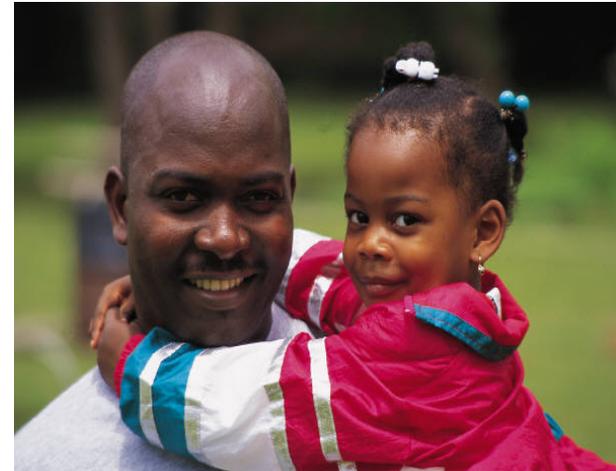
Kim McGaughey
804-662-9830

Innovative Community Services Grants

- **Roanoke & Botetourt Counties; Cities of Salem & Roanoke** – $79,893
  - Established Residential Transition Committee
  - Hired Transition Care Manager for intensive case management
  - Returned 8 children successfully to community
  - Accessing alternative funds to provide community services

- **Montgomery, Floyd, Pulaski, Giles & Radford** – $100,239
  - Hired, oriented and trained transitional coordinator
  - Established local governing body
  - Instituting local policy changes
  - Returned 3 children successfully from residential care.

- **Loudoun County** – $160,000.
  - Contracted national wraparound consultant; hired Wrap Director
  - Trained
    - 130+ case managers, FAPT, families, providers on wraparound.
    - 30 staff on cultural competence, informal supports, crisis planning.
  - Developed procedures: referrals, team review process, CSA funding authority, and coordinating management of service providers.
  - Used wraparound assessment tool for 5 youth; 89% average fidelity.
  - Maintained 4 youth successfully in the community
  - Returned 1 youth home successfully from residential

Innovative Community Services Grants

- Hampton City – $52,446
  - Establishing "host homes" where families live in homes of mentor families.
  - Developed orientation & training curriculum
  - Recruited & trained 12 families prepared to accept placements
  - First family & successfully transitioned to own housing

- Lee, Scott, Wise Counties & Norton City – $160,731
  - Hired Regional Wraparound Coordinator & Behavioral Aide
  - Increased use of PRIDE training for foster families in region
  - Developed regional foster care recruitment plan; implemented several recruitment efforts
  - Identified 13 children for return
  - Returned 3 children successfully to community
  - Prevented 4 children from entering residential care, successfully serving in community

- Richmond City – $196,691
  - Implementing evidenced-based Multidimensional Treatment Foster Care
  - Hired Program Supervisor and Foster Parent Trainer/Recruiter
  - Dedicated existing social services and mental health staff
  - Established criteria & referral procedures
  - Trained:
    - 6 staff on clinical training in Oregon
    - 30 stakeholders in Richmond by MTFC consultants
    - 75 community partners & direct service staff
    - 5 families on PRIDE; 2 families on MTFC, now ready for referrals
  - 2 youth identified for services

FY07 Regional Service Gaps

- Central region
  - Alternative education day programs
  - Transportation

- Eastern region
  - Parenting/family skills training
  - After school programs

- Northern region
  - Crisis intervention
  - Emergency shelter care

- Piedmont region
  - Respite
  - Crisis intervention

- Southwest
  - Intensive substance abuse
  - Regular foster care & residential treatment