

Comprehensive Services Act 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

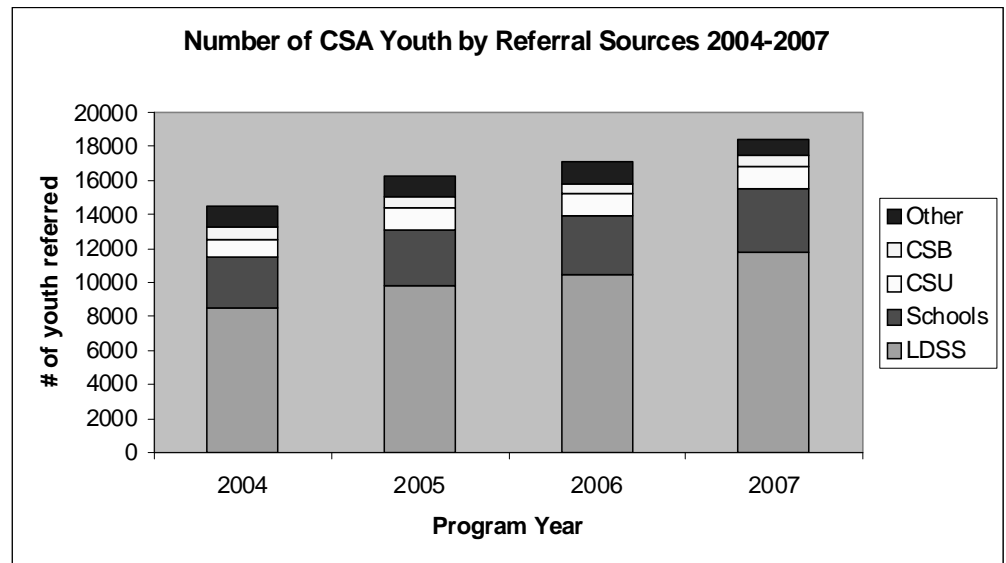
- Provide services that respond to strengths and needs of children & their families
- Increase family involvement & interagency collaboration
- Encourage public/private partnership in service delivery

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%)



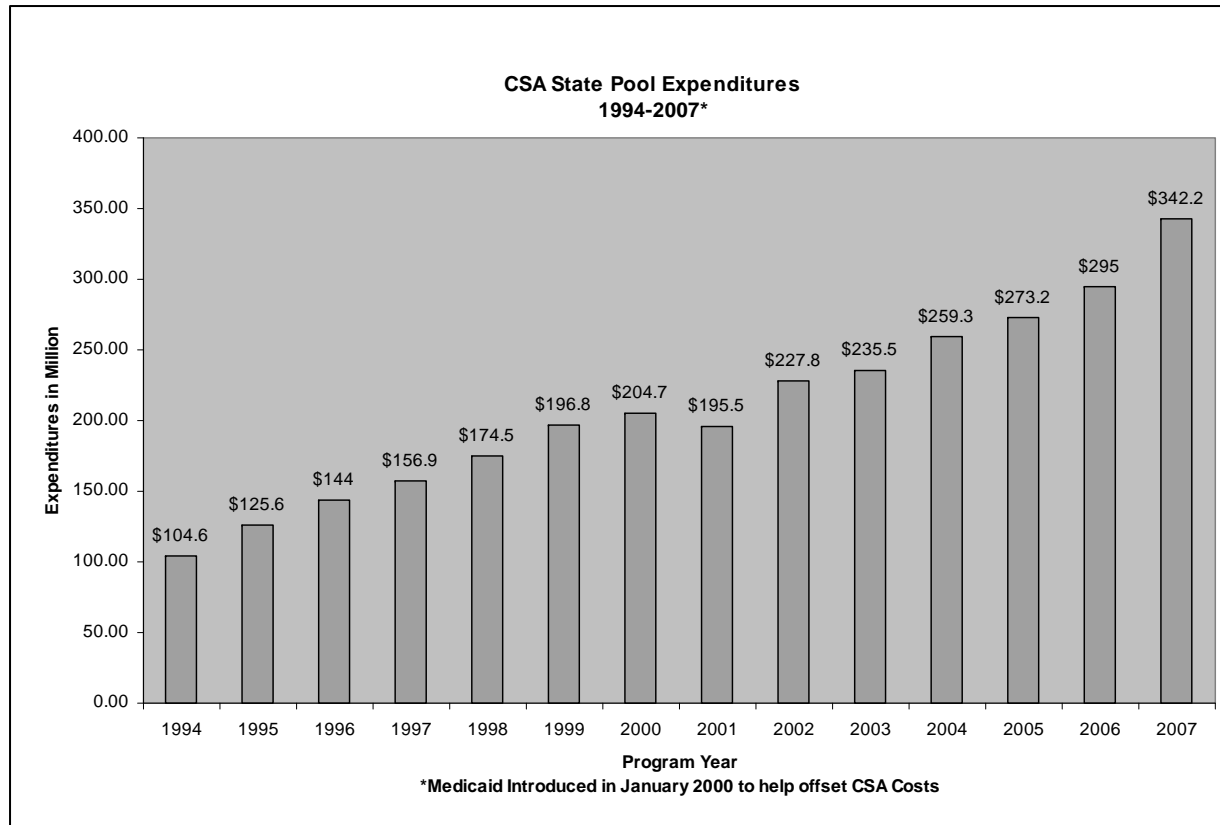


CSA Children

- 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

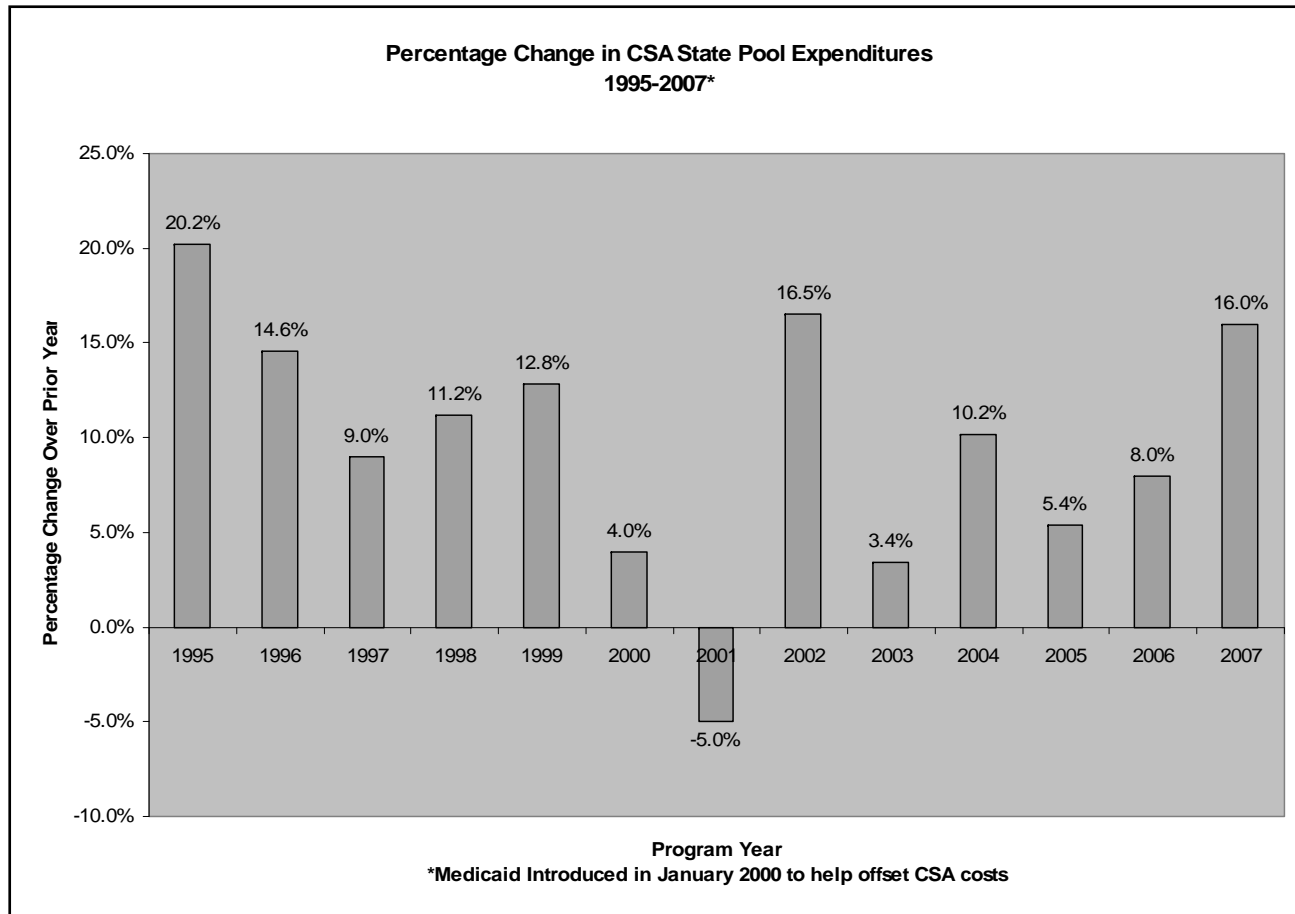
- \$342.2 million in FY07 (\$219.7 state; \$122.5 local)
- \$47.2 million increase (\$30.2 million state; \$17 million local)



* 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.





CSA Expenditures

Inherently difficult to forecast CSA costs

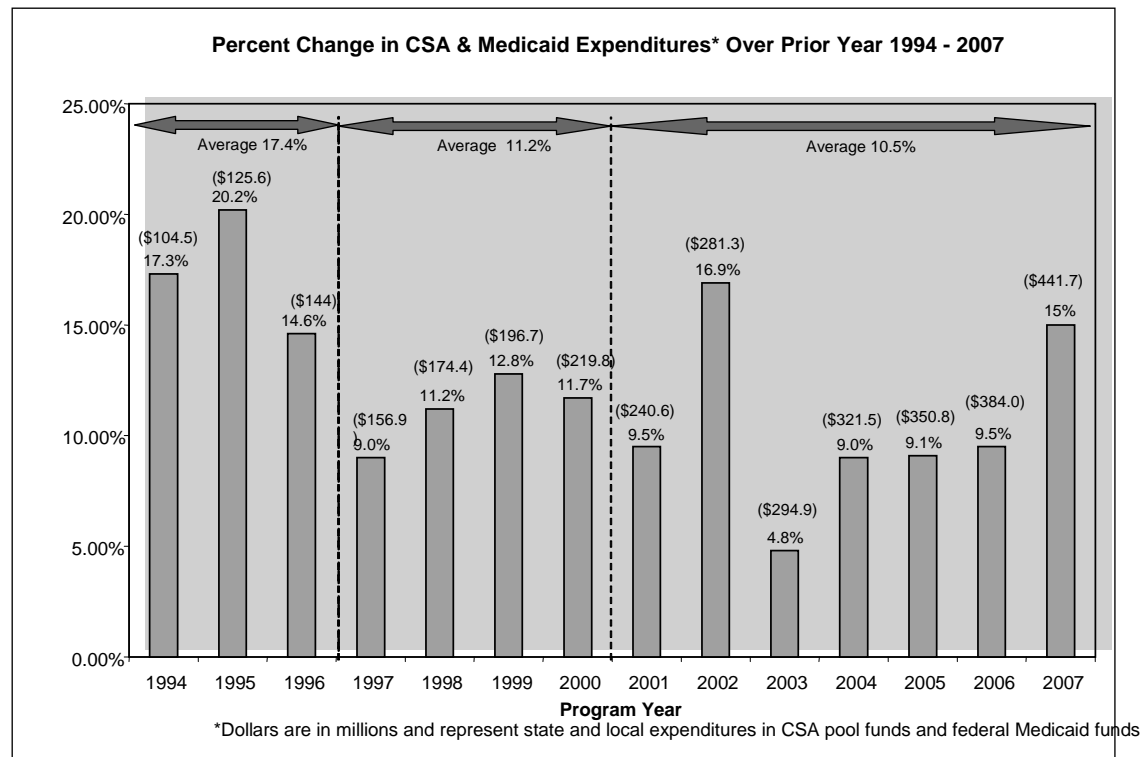
- Costs driven by multiple factors, some beyond state & local control
 - Number of mandated children in community
 - Severity of problems
 - Availability, type & duration of services
 - Service rates
 - Availability of alternative funding sources
 - Local practices
 - Policy changes

- 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.



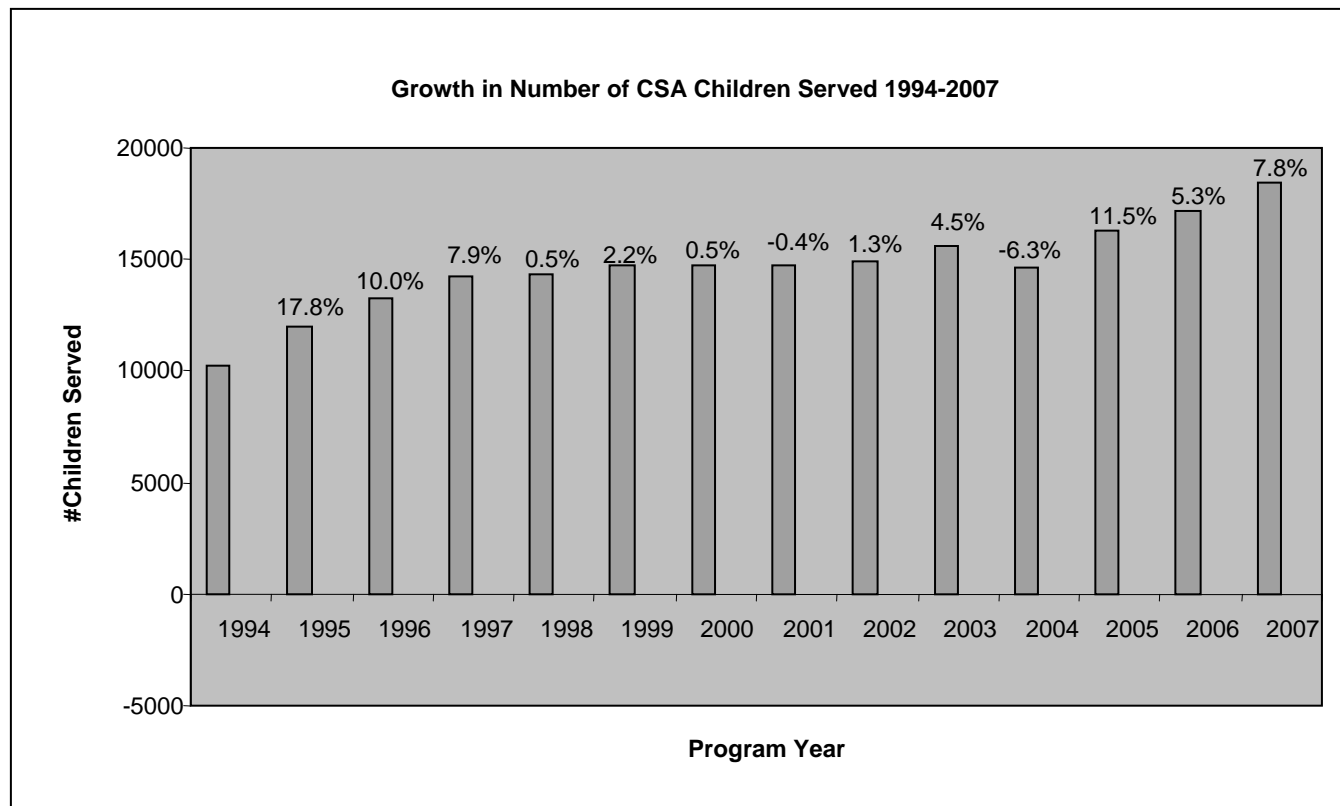


Overview of FY07 Cost Drivers

- 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

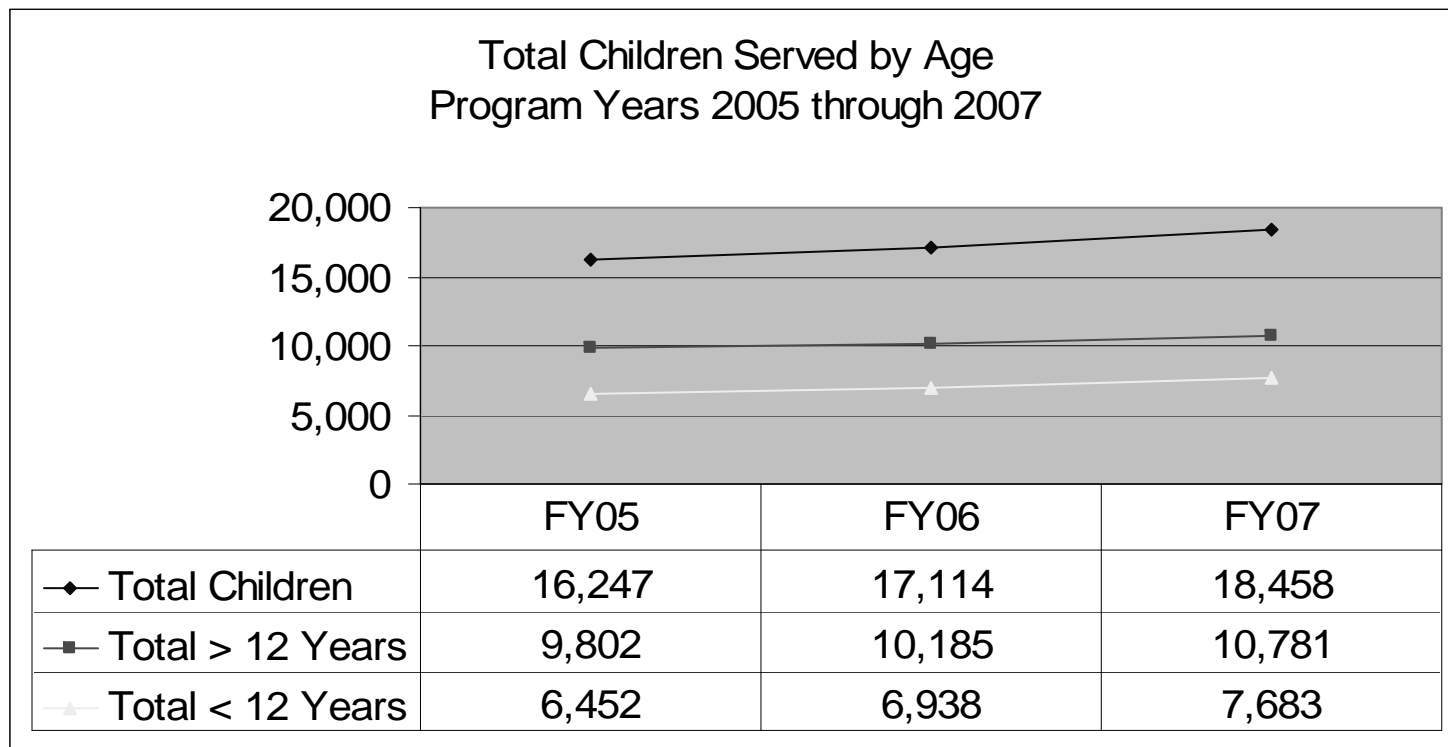
- 7.8% increase in children (1,330 more) over FY06
- 52% of total cost increase at \$18,542 cost/child (\$24.7m of \$47.2 m)



* All data program year 2007 (7/06-6/07) unless otherwise stated

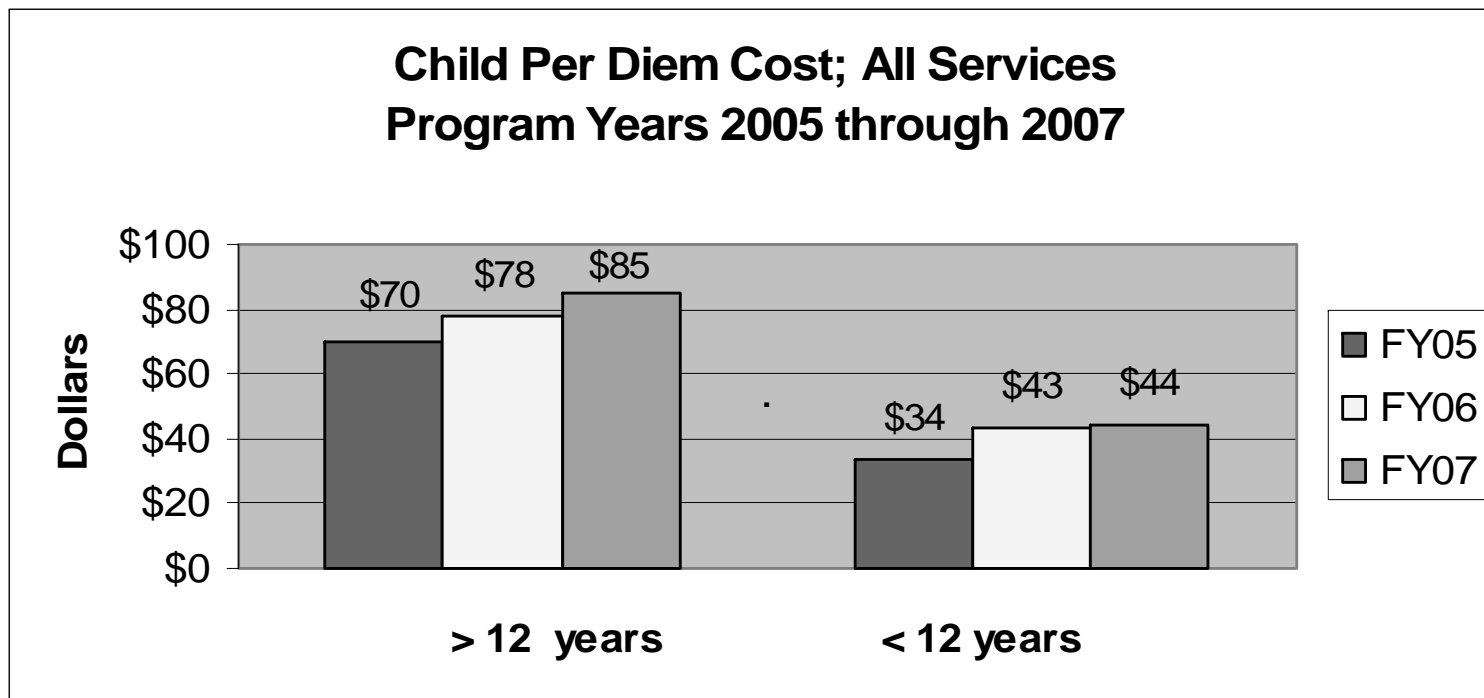
CSA Cost Driver: Children

- 58% of CSA children were over age 12



CSA Cost Driver: Children

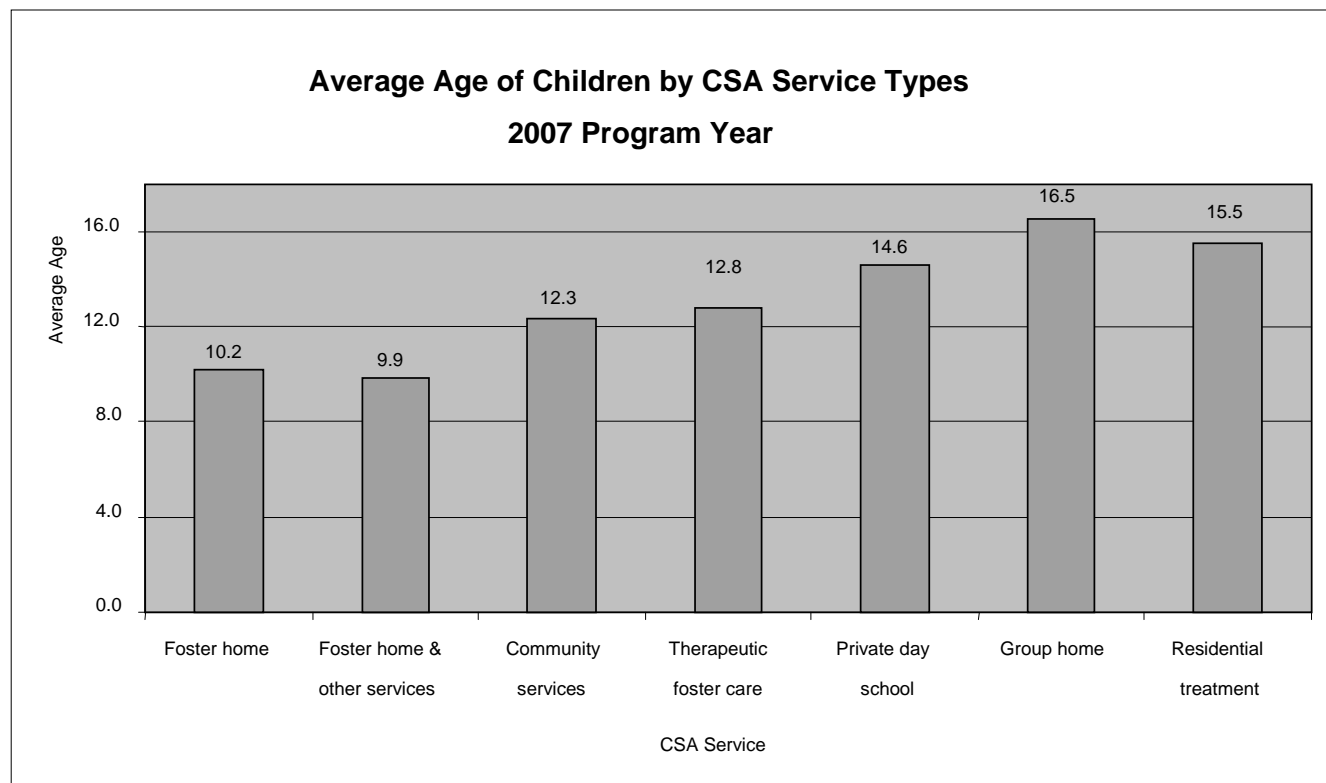
- Teens cost almost twice as much as younger children.



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

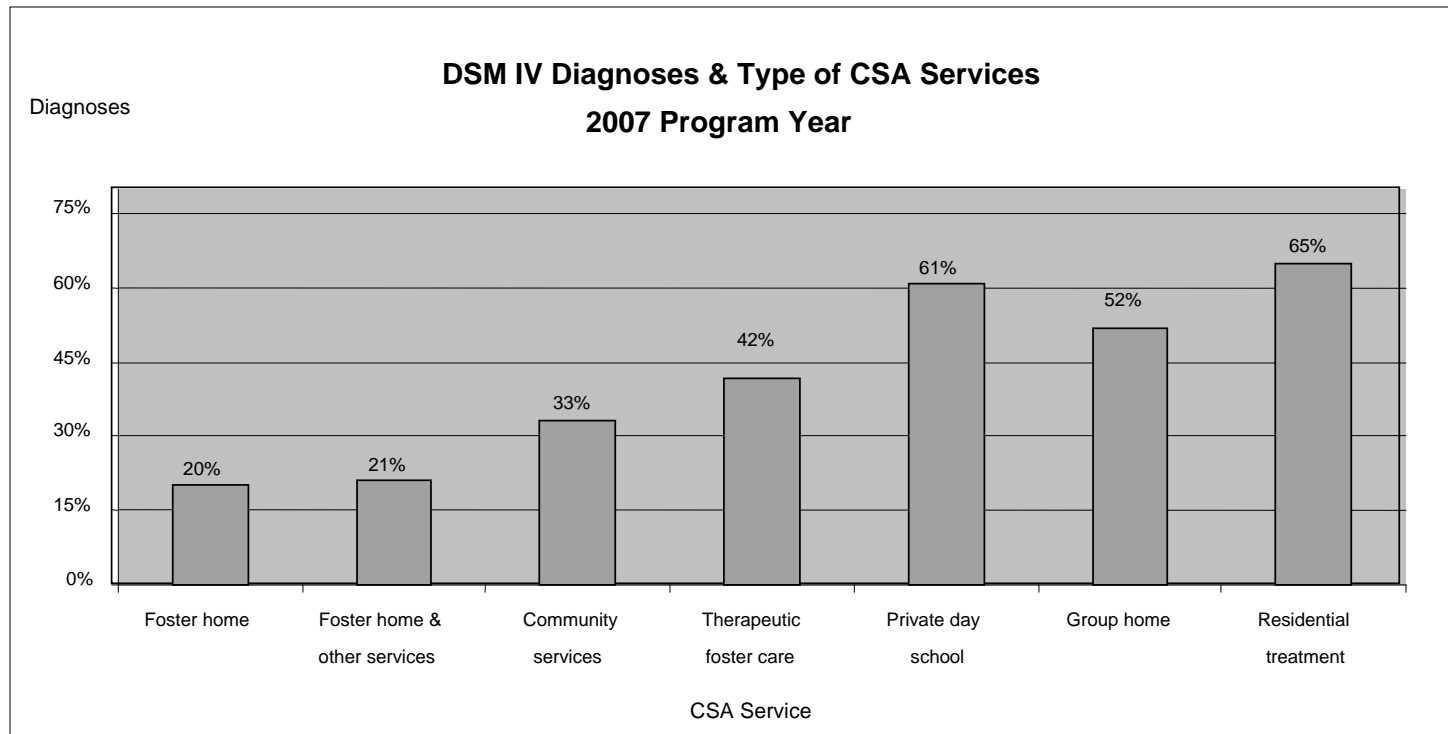
CSA Cost Driver: Children

- Older teens were placed in more restrictive settings (*special education private day schools, group homes and residential treatment facilities*).



CSA Cost Driver: Children

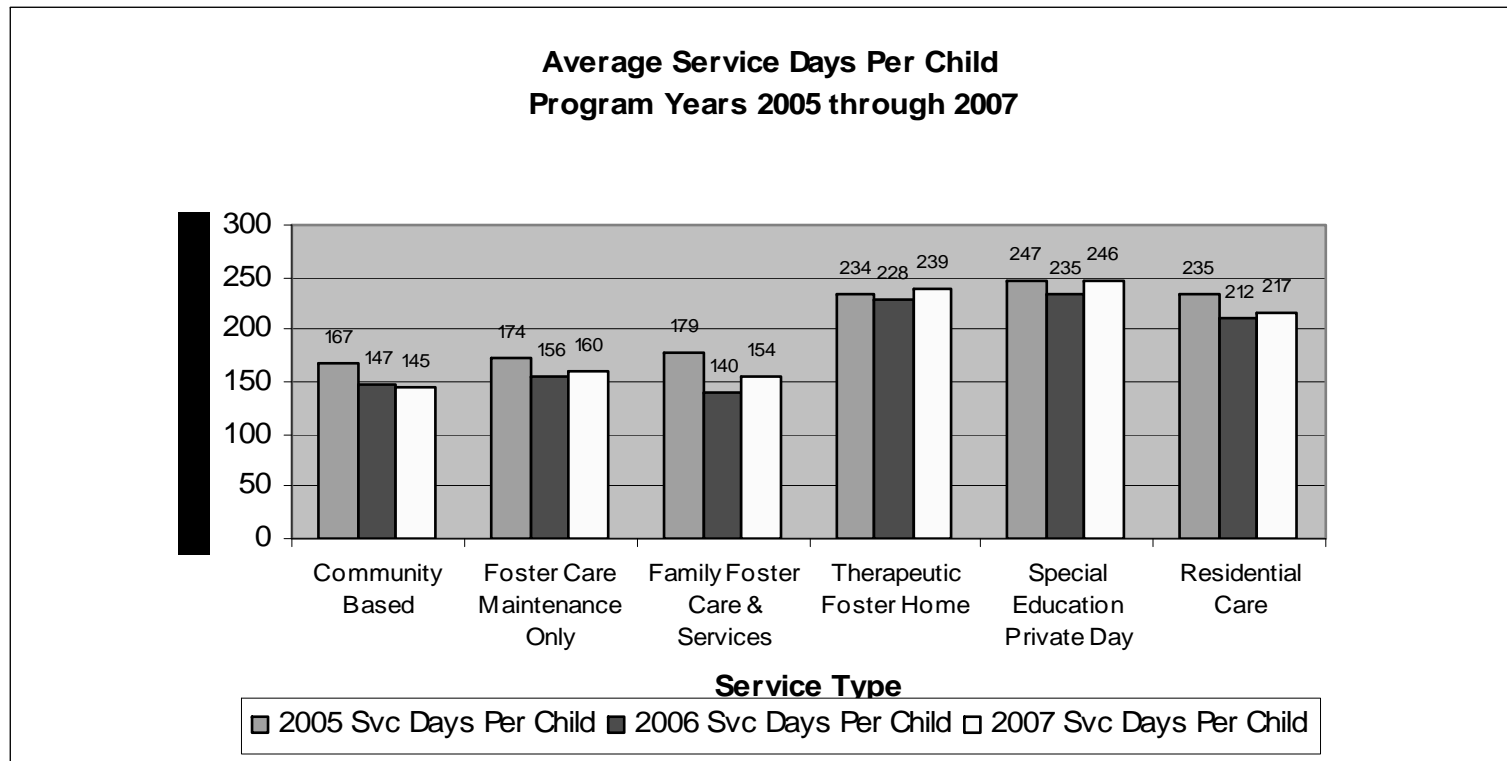
- Youth with diagnosed mental health problems were placed more often in intensive and restrictive settings.



- \$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.

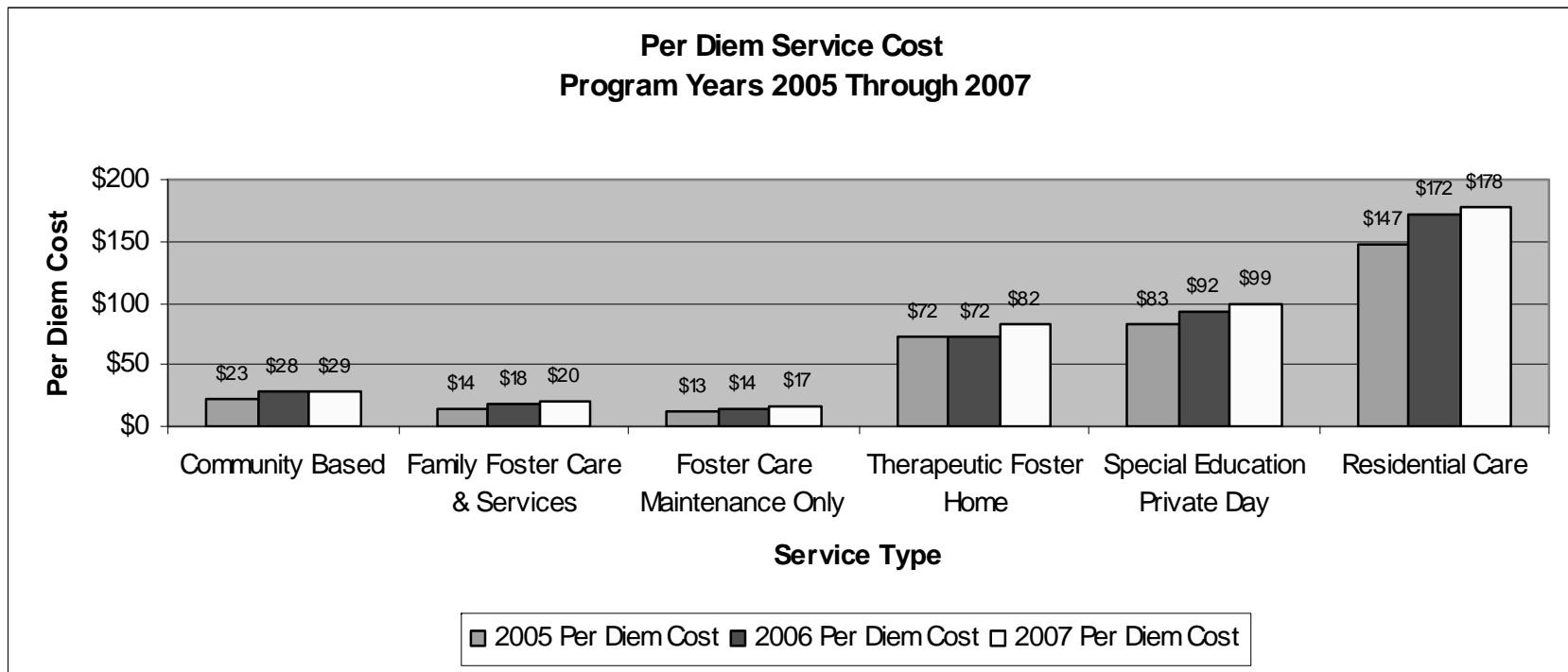
Cost Driver: Length of Stay

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



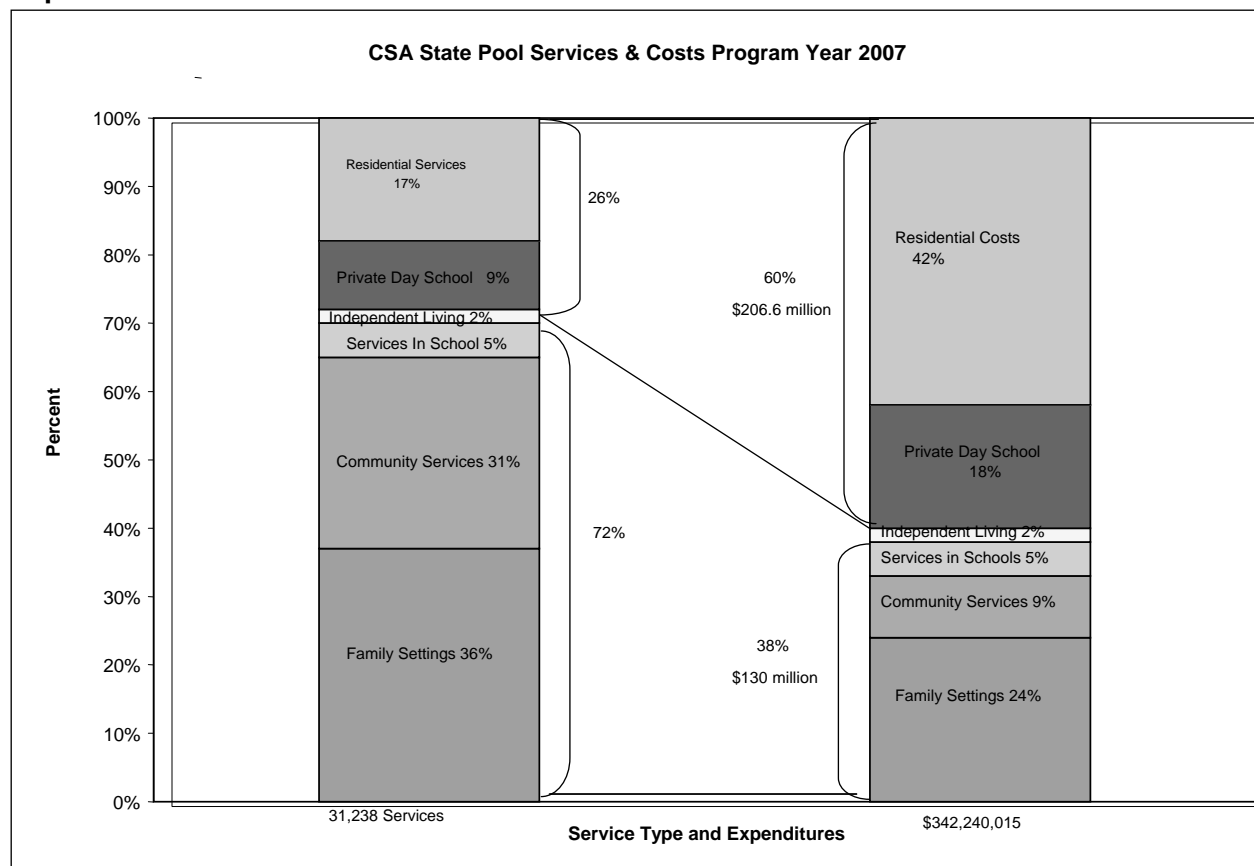
Cost Driver: Service Type

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



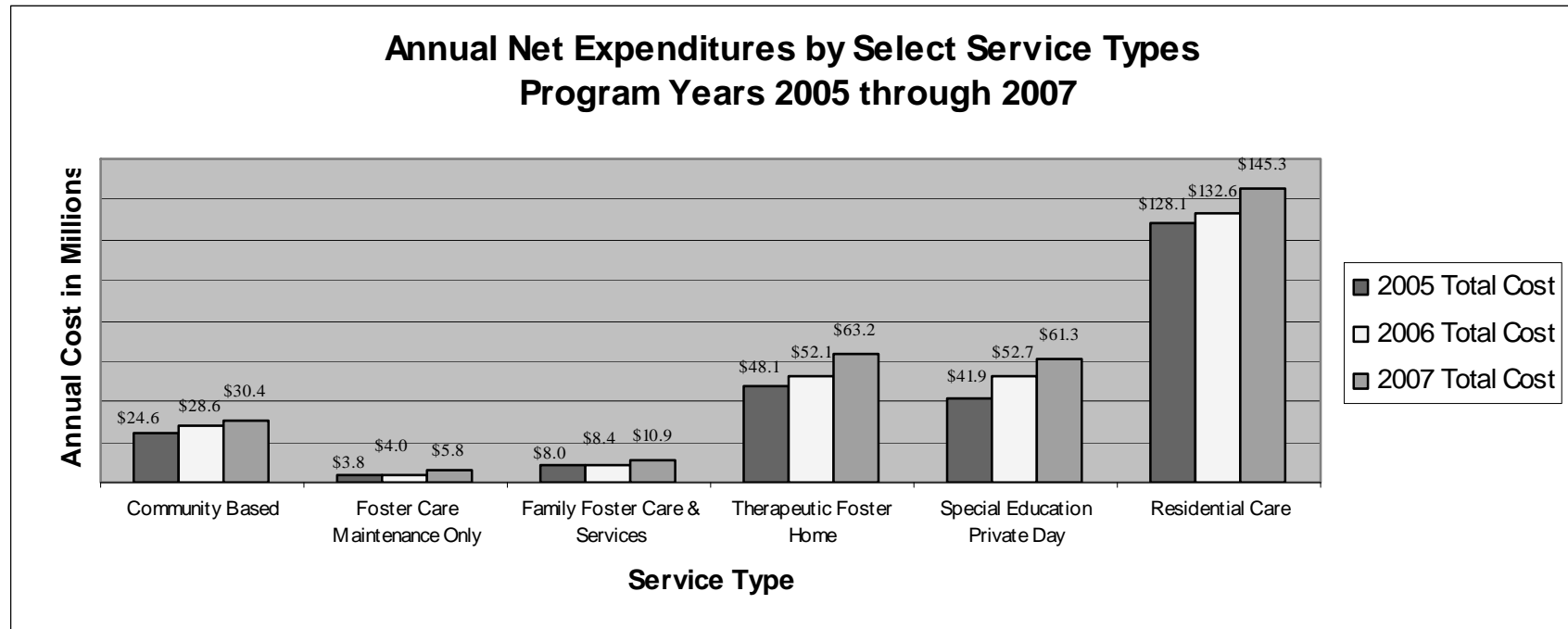
Cost Driver: Service Type

- 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.



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



* 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.

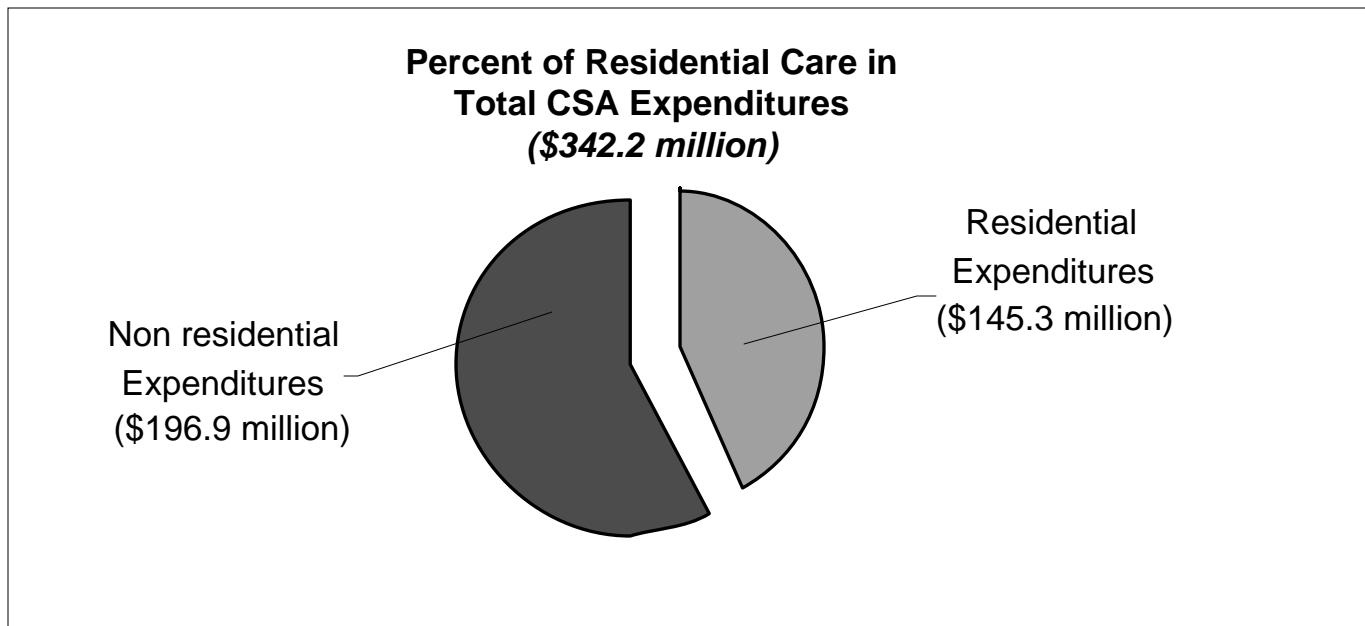


CSA Cost Driver

- 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



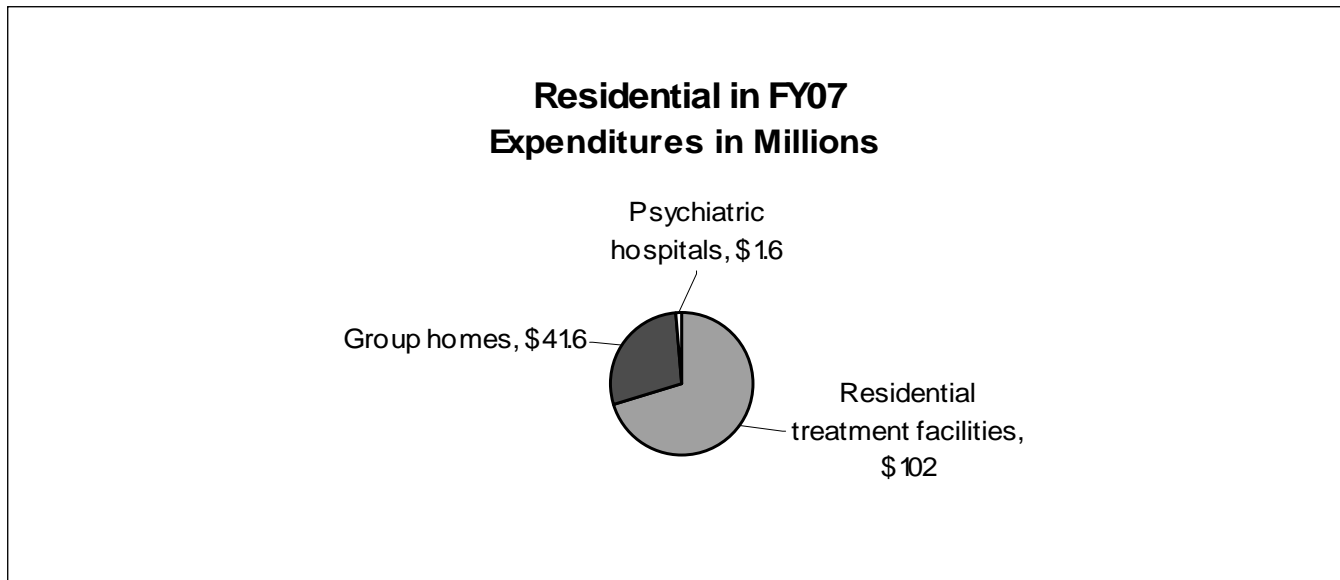


CSA Cost Driver: Residential Care

- 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





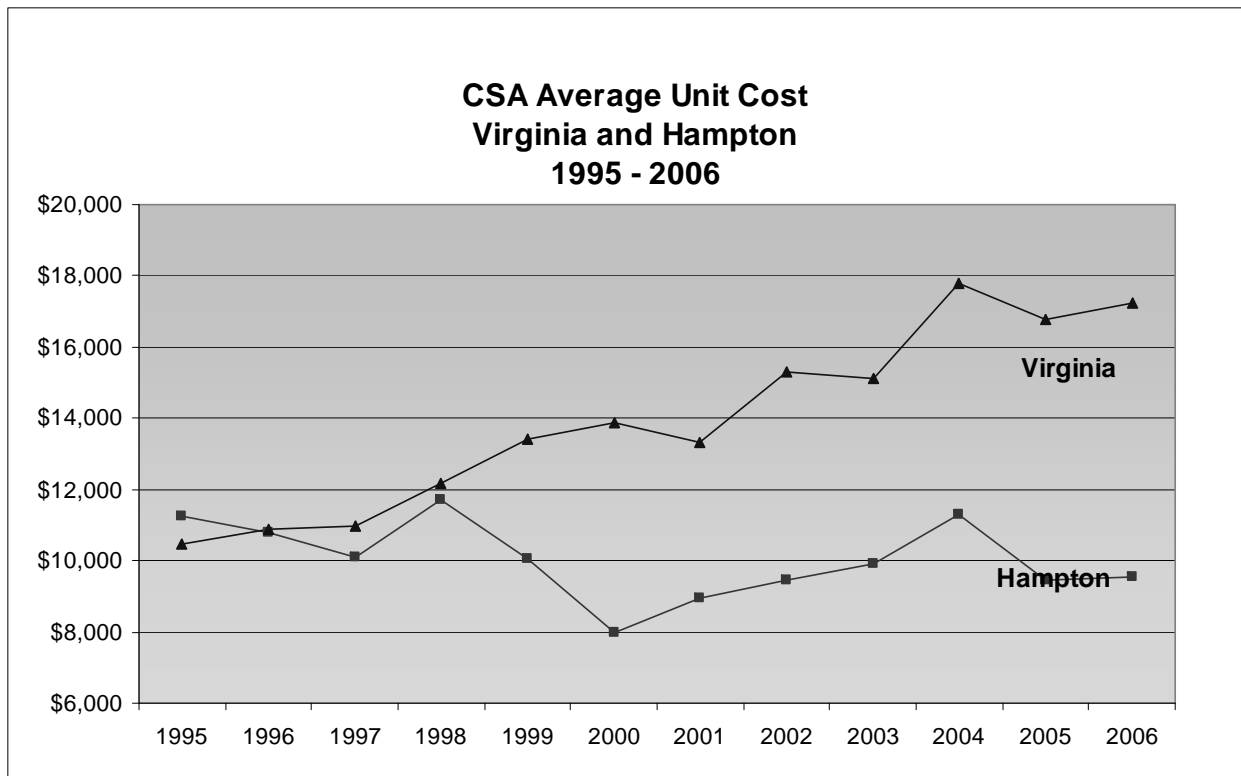
CSA Cost Driver: Residential Care

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.





Paradigm Shift

Traditional Approach

Agency silos

Reactive & crisis-oriented

Blame/not involve family

Reliance on restrictive services

Child out of home/community

Fragmented services

Agency accountable

Agencies protecting resources

Escalating expenditures

Lack of accountability



System of Care

Collaborative teams

Assess & intervene earlier

Engage family as partners

Reliance on family/community services

Child in home/community

Care coordinator across systems

Community accountable

Pooling resources across sectors

Controlling costs; reinvesting

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 | 11 Psychiatric assessment |
| 2 Mental health day treatment | 12 Transportation |
| 3 Wrap-around services | 13 Supervised independent living |
| 4 Regular foster care | 14 Emergency shelter care |
| 5 Parent & family mentoring | 15 Family assessment |
| 6 Intensive substance abuse services | 16 Parenting/family skills |
| 7 Respite | 17 After school programs |
| 8 Short-term diagnostic assessment | 18 Alternative ed. day program |
| 9 Group home care | 19 Substance abuse prevention |
| 10 Residential treatment | 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

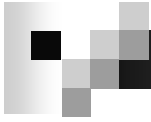
- Increased effectiveness of community teams
- Implemented statewide best practices models
- Instituted statewide training system for CSA

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*)



Thank You!



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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