

Drug Testing of TANF/VIEW Participants

Presentation to the
Virginia House of Delegates
Committee on Appropriations, Health &
Human Resources Subcommittee
October 15, 2012

Presentation

- Two Parts
 - Part 1. Costs to Implement HB 73, Substitute
 - Part 2. Information for the Subcommittee's Consideration

Drug Testing of TANF/VIEW Participants

PART 1

Data on Drug Screening

- Data on Implementing Based on HB 73, Substitute
 - Screening
 - Assessment/Testing
 - Referral/Treatment

Screening

- Number of TANF applicants and participants to be screened:
 - New Applicants: 11,376
 - Participants: 14,457
 - Total Individuals to be Screened: 25,833

(Data from Virginia Independence Program Monthly Report for October 2011)

Current Practice Drug Screening

- Current policy requires VIEW workers to assess all barriers to employment, including substance use and abuse.
- If substance abuse is identified at any point in the case, the VIEW worker refers the client for further assessment and treatment.
 - If the client fails to participate in any activity listed on the service plan, the case is referred for sanction.
 - Prior to sanction, there is another evaluation for conditions, including substance use, that render the client unable to fully participate in the program. The client is offered resources for support of all barriers identified.

Assessment

- Formal assessment
 - 10% will be referred for formal assessment and/or drug testing
 - 2,583 individuals
 - It is estimated it would take the TANF View Worker approximately 30 minutes to administer and review the screen for each applicant.
 - The local agencies worked with the VDSS and DPB to develop the estimate and concur with that estimate.

Testing

- Drug Testing
 - 10% will be referred for formal assessment and/or drug testing
 - 2,583 individuals
 - Cost depending on testing panel for specific illegal substance.
 - Based on current local departments of social services experience, it is estimated that the average cost for a drug test for *Methamphetamine* or *designer drugs* is \$400.

Referral/Treatment

- Drug Treatment Referrals
 - Fifty percent of those tested will test positive (estimate).
 - And agree to enter a drug treatment program.

Implications

- Child Welfare Program
 - Removal of children if the parent is found to be a substance abuser, placing the child (children) in foster care. Increase in caseloads.
- Eligibility for Benefits
 - Eligibility worker will need to work through allowing the kids to receive TANF benefits if the parent is non-compliant or while the parent/guardian is in treatment.
- Based on current practices and data collection there are no estimates on the removal of children.

Summary of Estimated Costs

- The local agencies worked with the VDSS and DPB to develop the estimates and concur with the estimated costs. Costs would be split between state General Fund, federal funds, and a local match.
 - Medicaid reimbursement is available for some services.
- Drug testing: \$891,135/year
- Drug treatment: \$242,820/year
- Local staff: \$601,072/year
- Total: \$1,735,027/year

Drug Testing of TANF/VIEW Participants **PART 2**

TANF/VIEW Program

- **What is the TANF/ VIEW program?**
- ✓ The TANF program provides eligible families with a monthly cash payment to help meet their basic needs.

TANF/VIEW Program

- **To be eligible a child must be:**
 - ✓ Under age 18, or if 18, will graduate from high school before age 19
 - ✓ Going to school regularly if he is between the ages of five and 18
 - ✓ Living with a parent or other relative
 - ✓ A U.S. citizen or an eligible immigrant

TANF/ VIEW Program

- A child will not be eligible if born to or adopted by a TANF recipient more than 10 months after an applicant begins to receive TANF payments. The Division of Child Support Enforcement will send all support collected for this child directly to the family. This support will not count as income in the TANF program.

TANF/VIEW Program

- Virginia's TANF program emphasizes personal responsibility.
- The Virginia Initiative for Employment not Welfare (VIEW) provides employment, education, and training opportunities to recipients of Temporary Assistance to Needy Families (TANF). VIEW is based on the conviction that all citizens deserve the opportunity to progress to self-sufficiency.

TANF/VIEW Program

- **TANF recipients aged 18-60 must participate in the VIEW program unless:**
 - Aged 18 or 19 and attending high school;
 - Disabled;
 - Primary caretaker of a disabled individual living in the home; or
 - Primary caretaker of a child under 12 months old living in the home.

TANF/VIEW Program

- VIEW participants may be provided with services such as job skills training, work experience, job readiness training, job retention services, child care assistance, transportation and other work related expenses.
- VIEW participants must be employed and/or participate in a VIEW program activity at least 35 hours per week.

Summary of House Bill 73 Substitute

Virginia Department of Planning and Budget
2012 Fiscal Impact Statement

- The proposed legislation requires local departments of social services to screen each Virginia Initiative for Employment not Welfare (VIEW) participant for use of illegal substances.
- If the screening indicates use of illegal substances, a formal substance abuse assessment will be required. This formal assessment may also include drug testing.

Summary of House Bill 73 Substitute

Virginia Department of Planning and Budget
2012 Fiscal Impact Statement

- Any person who tests positive for the use of illegal substances shall be ineligible to receive TANF payments for a period of one year, unless he enters into and complies with the requirements of a drug treatment program.
- An individual has one opportunity during the subsequent 12-month period to comply with the screening, assessment, or treatment requirements and be reinstated to eligibility for TANF benefits.

What Will Be the Impact of Drug Testing in TANF/VIEW?

- 42% of those receiving TANF will participate in VIEW.
- It will take 30 minutes to administer and review each screening.
- 10% of those screened will be referred for formal assessment.
- 50% of those tested will test positive and will agree to enter treatment.
- DSS will pay for the screening and drug testing.
- Drug treatment services will be covered by Medicaid.

Medicaid Services

- **What substance abuse services does Medicaid cover?**
 - Assessment and evaluation, outpatient treatment
 - Residential treatment for pregnant and postpartum women
- **Medicaid does not cover the cost of drug testing**
- **Reimbursement to providers of treatment**
- **Co-pay for participants**

What We Know About Costs/Savings?

- **The cost of a formal drug assessment/test is estimated at \$345 (Department of Behavioral Health & Developmental Services)**
 - ✓ In the last session, the total cost of additional local staff was estimated at \$647,539 in the implementation year, and \$601,072 each year thereafter.
 - ✓ This estimate included a local match of \$100,369 the first year, and \$93,166 annually thereafter.

What We Know About Costs/Savings

Virginia Department of Planning and Budget
2012 Fiscal Impact Statement

- Drug testing: \$891,135/year
- Drug treatment: \$242,820/year
- Net decreases of TANF benefits would be
 - \$229,165 in the first year, and
 - \$458,330 each year thereafter

Total Fiscal Impact

Virginia Department of Planning and Budget
2012 Fiscal Impact Statement

Dollars	Initial Year	Following Years
General Fund	\$1,330,549	\$1,062,121
Federal	\$ 121,410	\$121,410
Local	\$ 100,369	\$ 93,166
Total	\$1,552,328	\$1,276,697

Issues for Consideration

Each VIEW participant shall be screened

- ✓ Development of a standardized screening tool.
- ✓ Training will be required to ensure DSS staff understand how to administer screening tools and understand social, physical and legal issues related to substance abuse.
- ✓ Current data systems will need to be enhanced to track periodic screenings.

Issues for Consideration

If a screening indicates use of illegal substances, a formal assessment shall be required, which may include drug testing, to be performed by a licensed practitioner.

- ✓ Community capacity to meet this requirement will have to be enhanced. Resources for SA assessment and treatment vary across the Commonwealth, and there are often waiting lists.

Issues for Consideration

For what are we testing?

- ✓ Screening costs vary
 - Hair sample - \$60 for 5 panel test (amphetamines, cocaine, THC, opiates, and PCP)
 - Urine sample - \$45 for a 7 panel test (includes all of the above plus barbiturates and benzodiazepines)
 - \$58 chemical marijuana and bath salts
 - \$131 to confirm a positive result

Issues for Consideration

- **Who will do the testing?**
 - Vendor contract
 - Statewide or local?
- **Administrative cost of contract negotiation and maintenance**

Issues for Consideration

- **Where will testing be done?**
 - DSS-physical space for testing
 - Community Services Board or other site-availability
 - Maintaining physical chain of custody
- **Transportation**
- **Childcare** during testing/treatment (potential increased demand on this subsidy program)

Issues for Consideration

- **Who will interpret the test results?**
 - Staff training costs
 - Procedural protection against false positive results

Issues for Consideration

- **How will test results be maintained?**
 - Database to track test results, code impact on case
 - Staff time to monitor these cases
 - Restrictions to prevent disclosure and misuse of test results
 - What about potential risk for clients who are currently working?

Issues for Consideration

- **Treatment**
 - Increase in Medicaid costs?
 - Access - transportation, co-pay
 - Availability
 - Childcare while in treatment
 - Increased demand for mental health treatment

Issues for Consideration

- **Impact on VIEW program participation rate**
 - Fiscal sanction?
 - Will any program funds be obligated for assessment/testing/treatment - thus not available for education, training/employment services

Issues for Consideration

- **Impact on children**
 - Financial consequences of the denial, delay or disruption of benefits
 - Potential cost shift to child welfare
- **Potential cost of a legal challenge**
 - ✓ Resources for substance abuse assessment and treatment vary across communities
 - ✓ Institutional barriers to assessment and treatment may result in a delay in the receipt of TANF benefits

Looking Forward

- Increasing challenges for families to become “self sufficient”
- Increased public assistance caseloads
- Static staffing levels
- Impact of healthcare reform

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