



CSA Biennial Report Overview

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Overview

- Biennial report mandate
- Program Year 2007
 - Children served
 - CSA expenditures
 - Cost Drivers
- Initiatives
- Performance to date
- Goals & strategies
- Nonmandated funding allocations report

Biennial Report Mandate

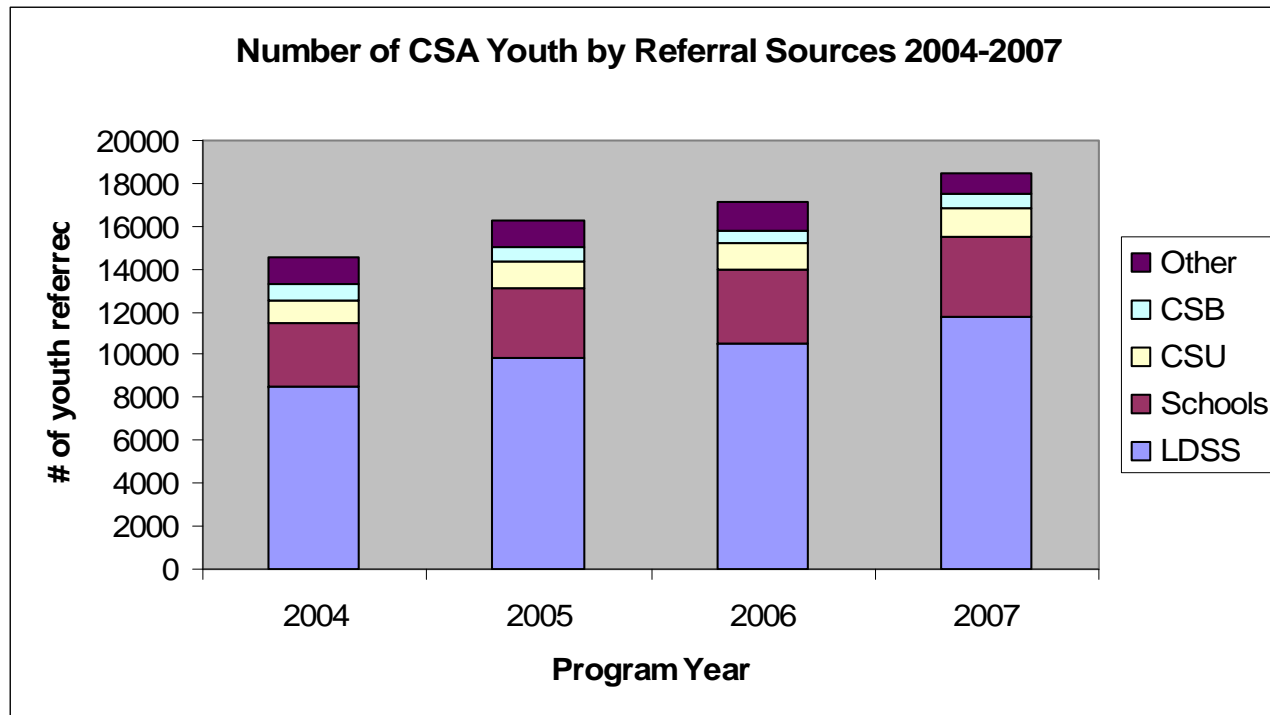
- SEC shall biennially disseminate state progress report and biennium plan to General Assembly & CPMTs (§ 2.2-2648.19)
 - Fiscal profile of expenditures on youth & families served
 - Progress on previous goals
 - Priorities, goals and estimated costs for coming biennium
 - Recommendations to improve system

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

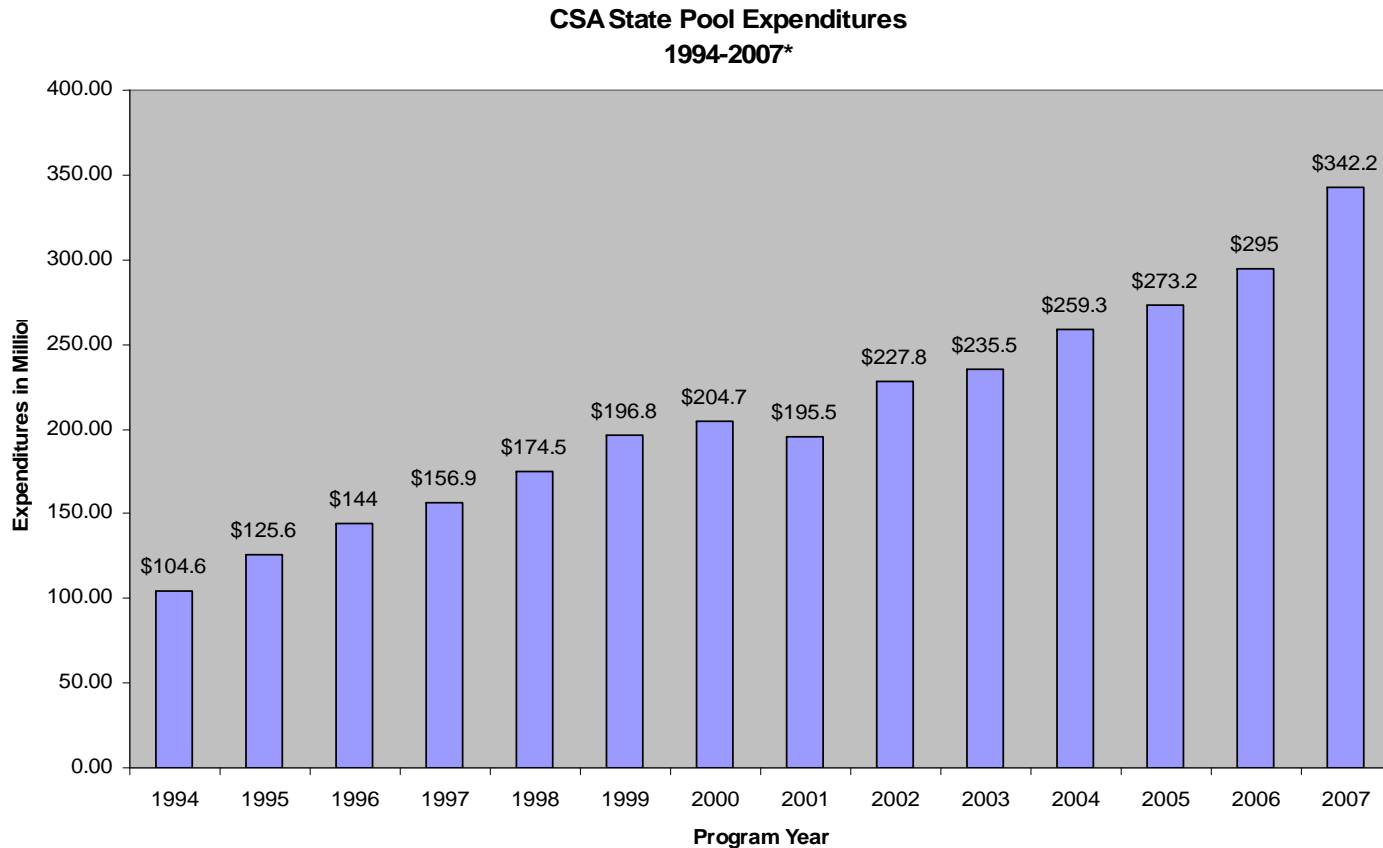
CSA Children

- 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 Expenditures

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

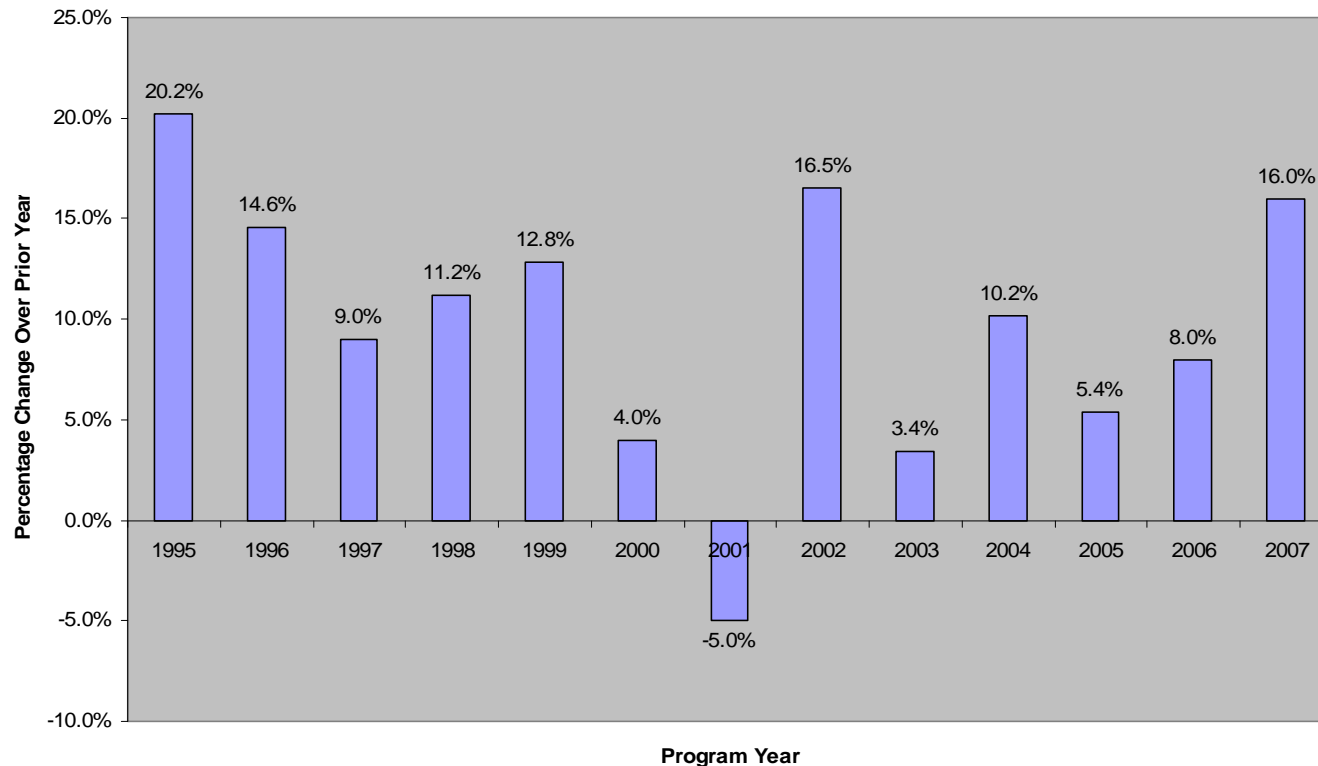


*Medicaid Introduced in January 2000 to help offset CSA Costs

CSA Expenditures

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



*Medicaid Introduced in January 2000 to help offset CSA costs

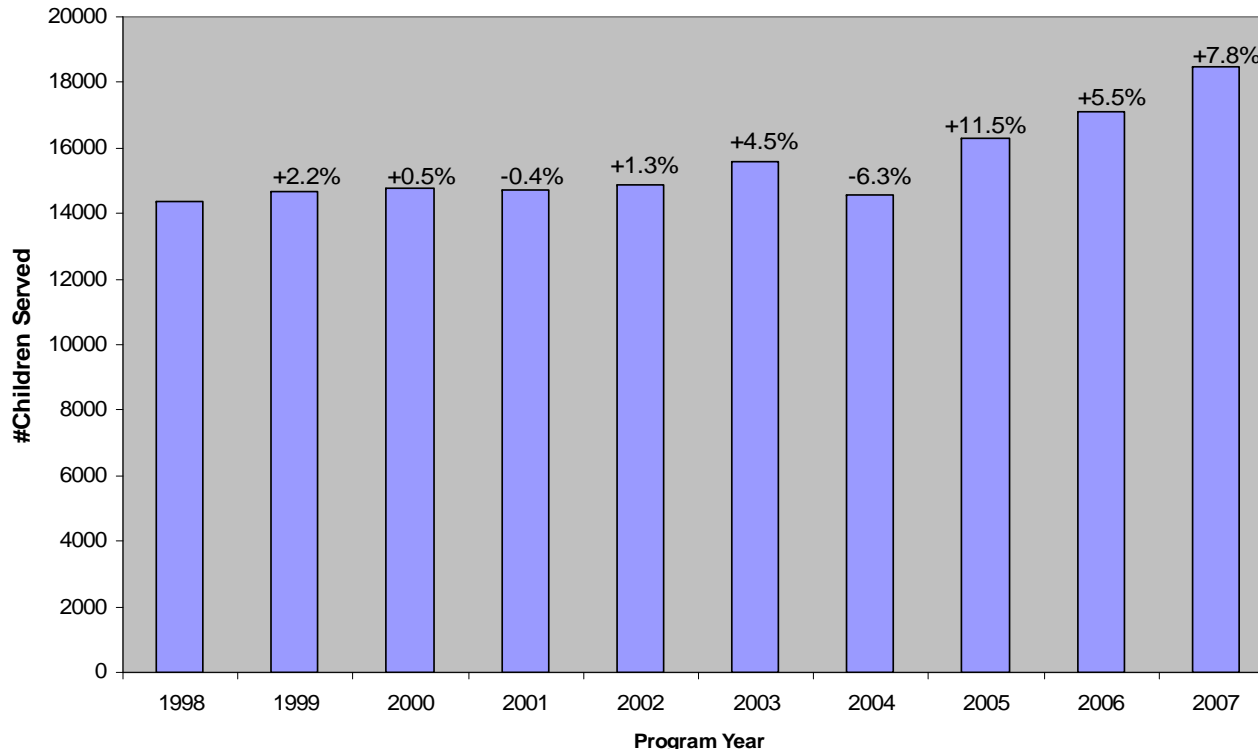
Overview of Cost Drivers

- 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
 - Child and Family Services case reviews
- 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

- 1330 more children over FY06, 7.8% increase
- 52% of total cost increase at \$18,542 cost/child (\$24.7 of \$47.2 m.)

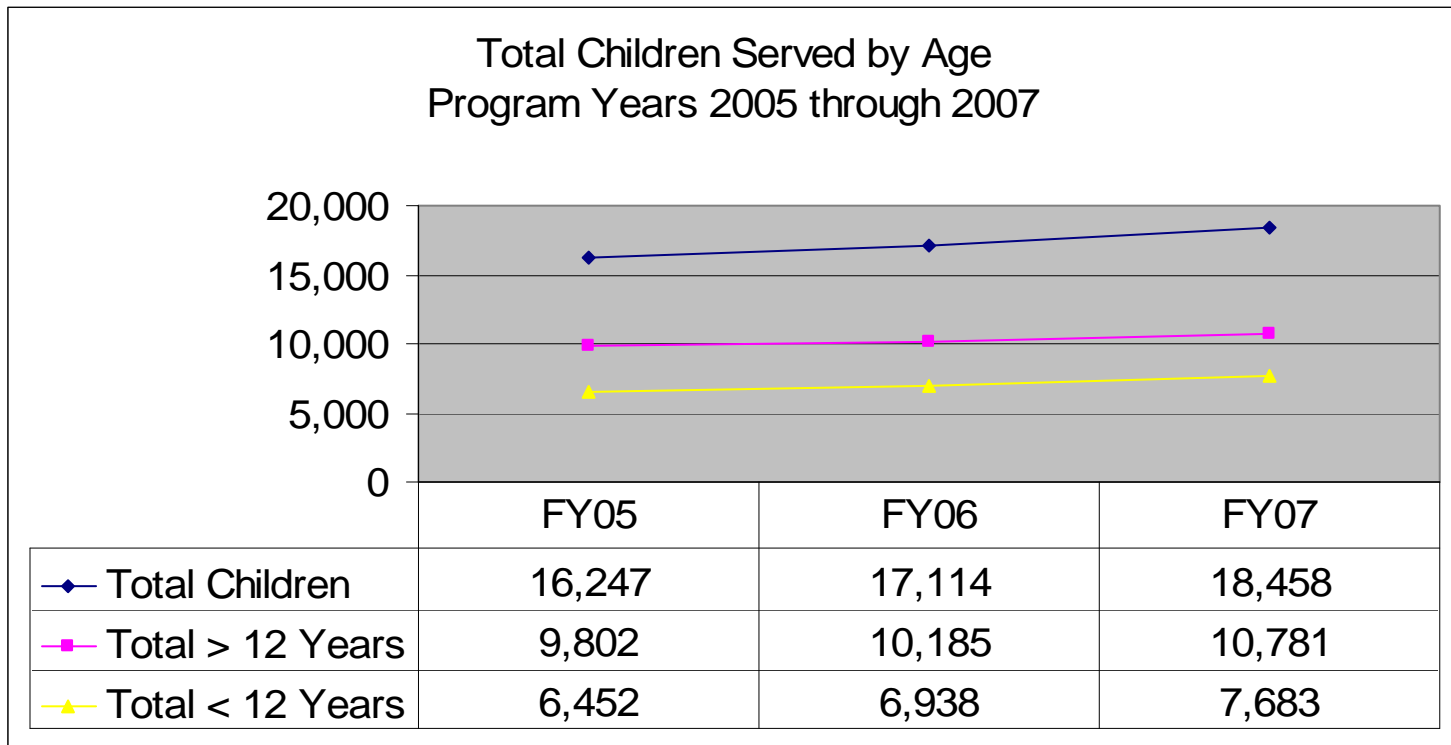
Growth in Number of CSA Children Served 1998-2007



* All data program year 2007 (7/05-6/06) unless otherwise stated

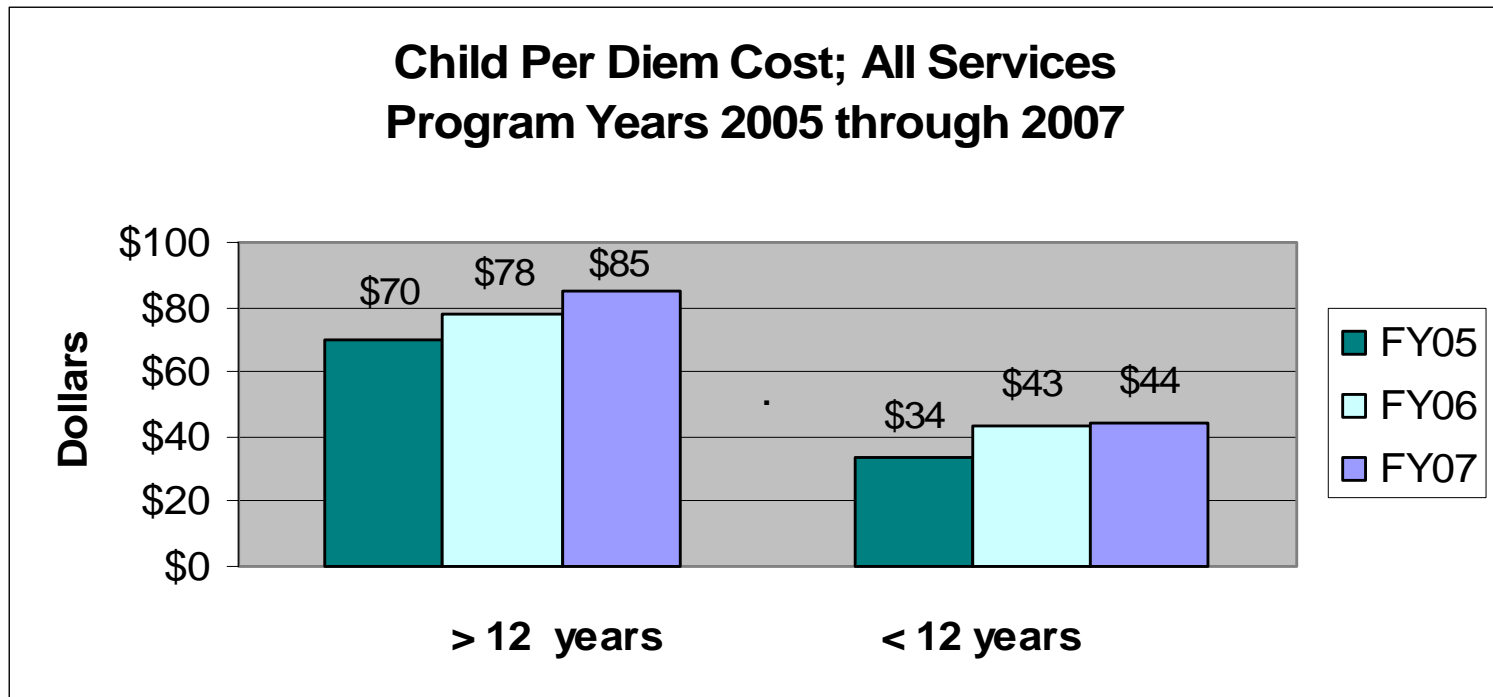
CSA Cost Driver: Children

- 58% of CSA children were over age 12



CSA Cost Driver: Children

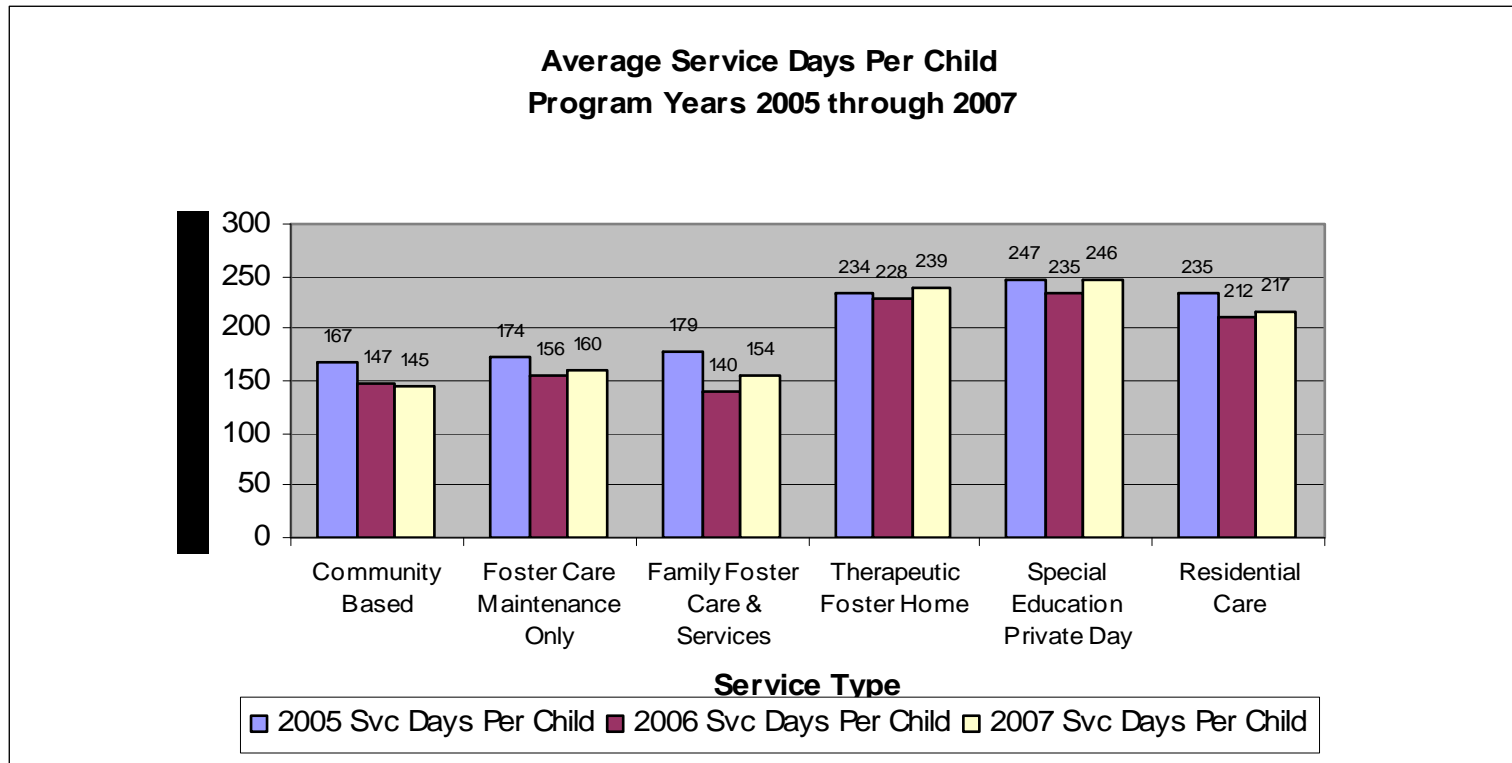
- Teens cost almost twice as much as younger children.



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

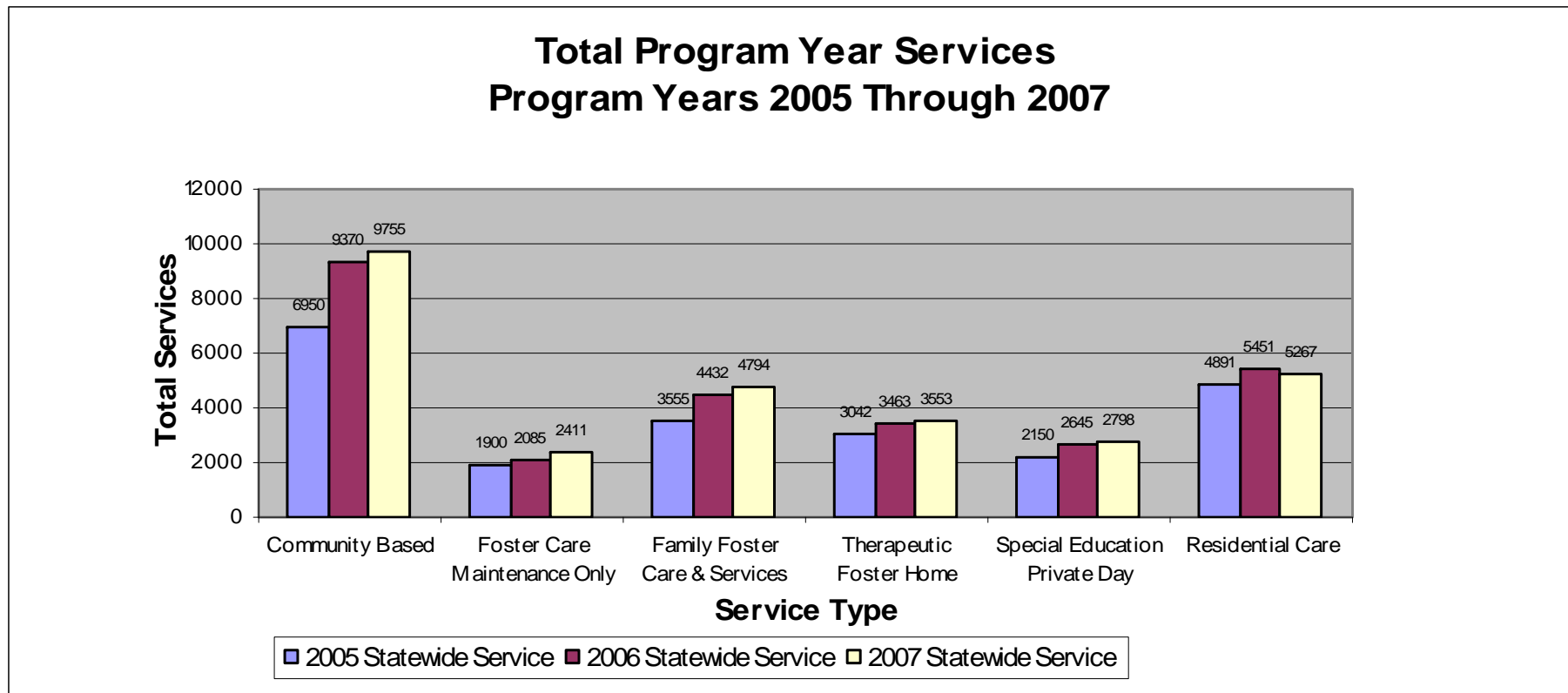
Cost Driver: Length of Stay

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



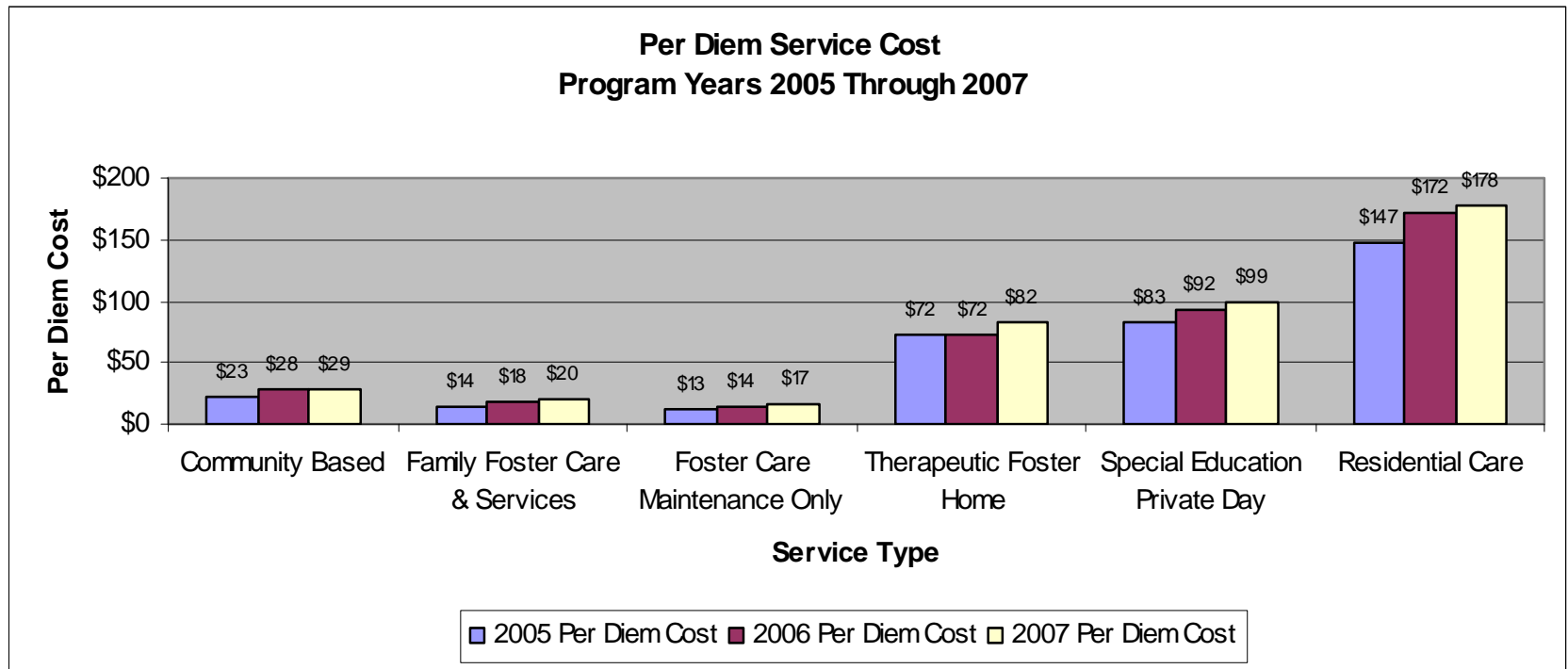
Cost Driver: Service Type

- While most CSA services were community based....



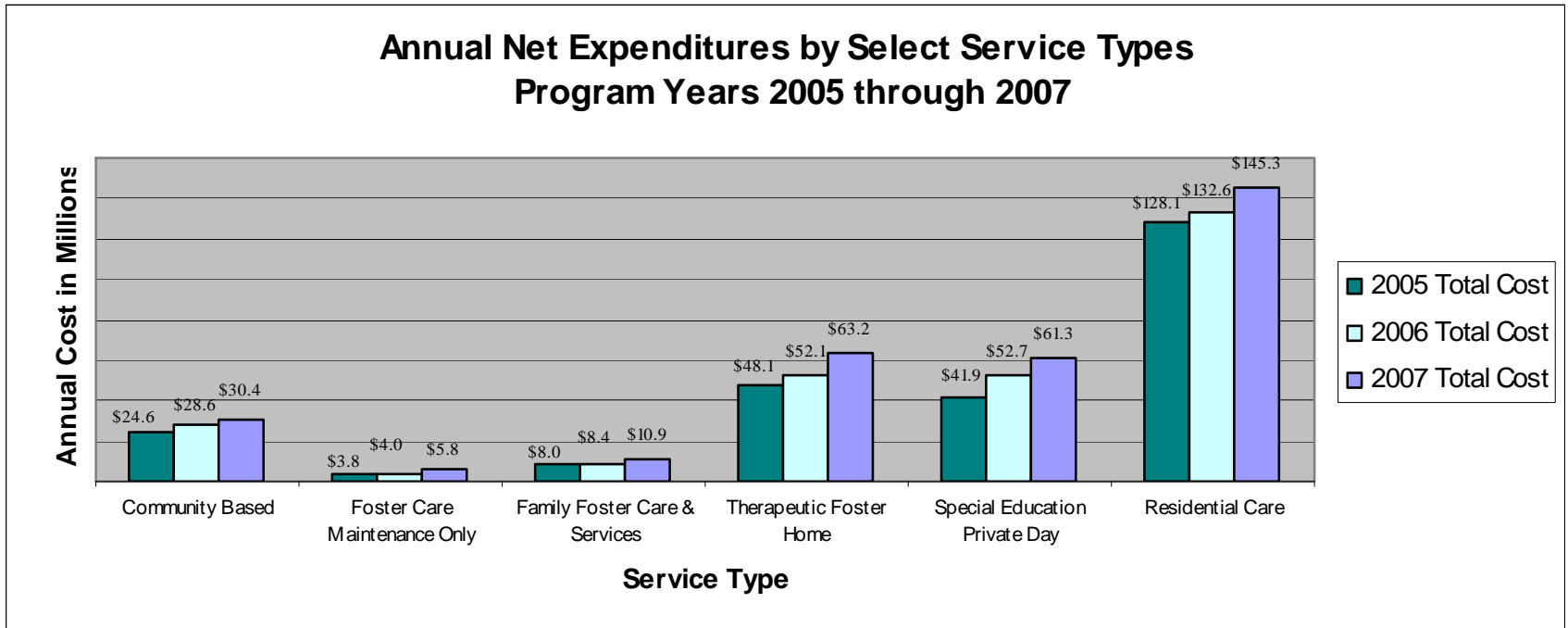
Cost Driver: Service Type

- More intensive services cost significantly more.



CSA Cost Drivers

- Analyzing costs by service type, 78% of increase was from three most intensive CSA services (*\$36.7 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 and rate structure to appropriately claim federal Title IV-E for some costs beginning in July 2008.

CSA Cost Driver

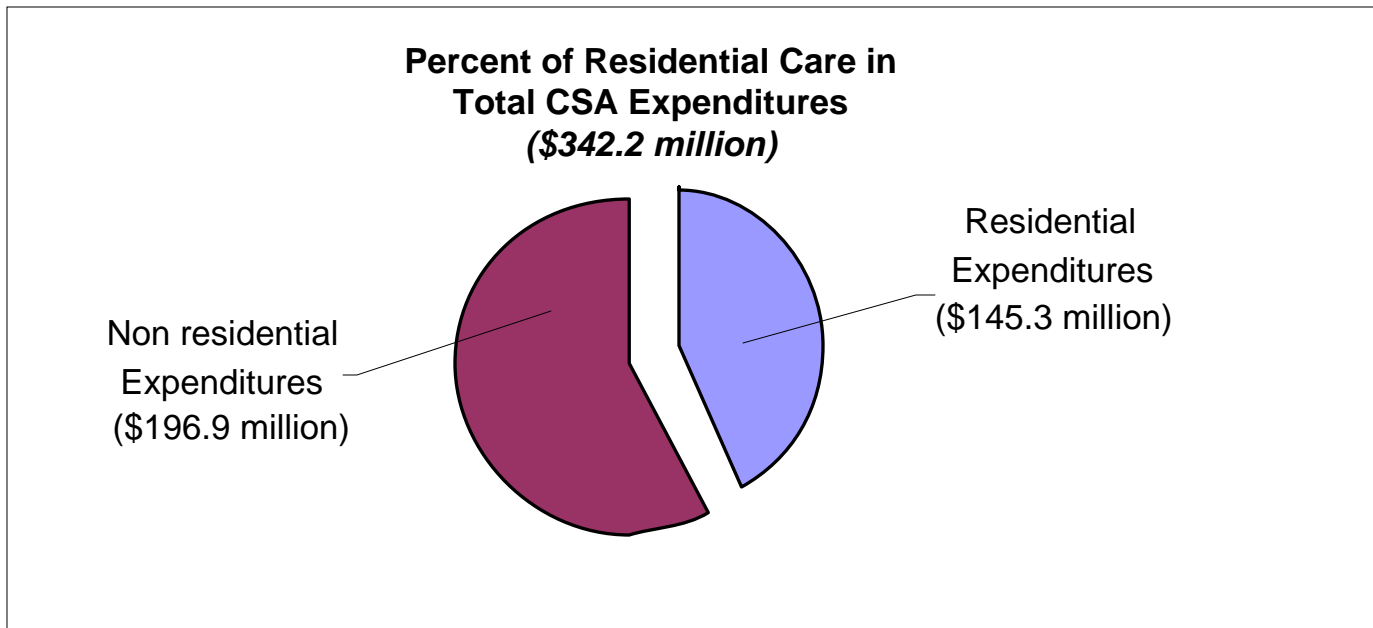
- Special education private day placements increased 21% for each of the last two years
 - \$10.8 million more spent in FY07 (*\$61.3 million*)
 - More children stayed longer at higher daily rate
 - 6.2% more children (*151 at \$23,563 per child*) - \$3.6 million
 - 11 days longer in placement on average,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

- Recommend SEC examine reasons for increased supply, utilization and expenditures, then 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

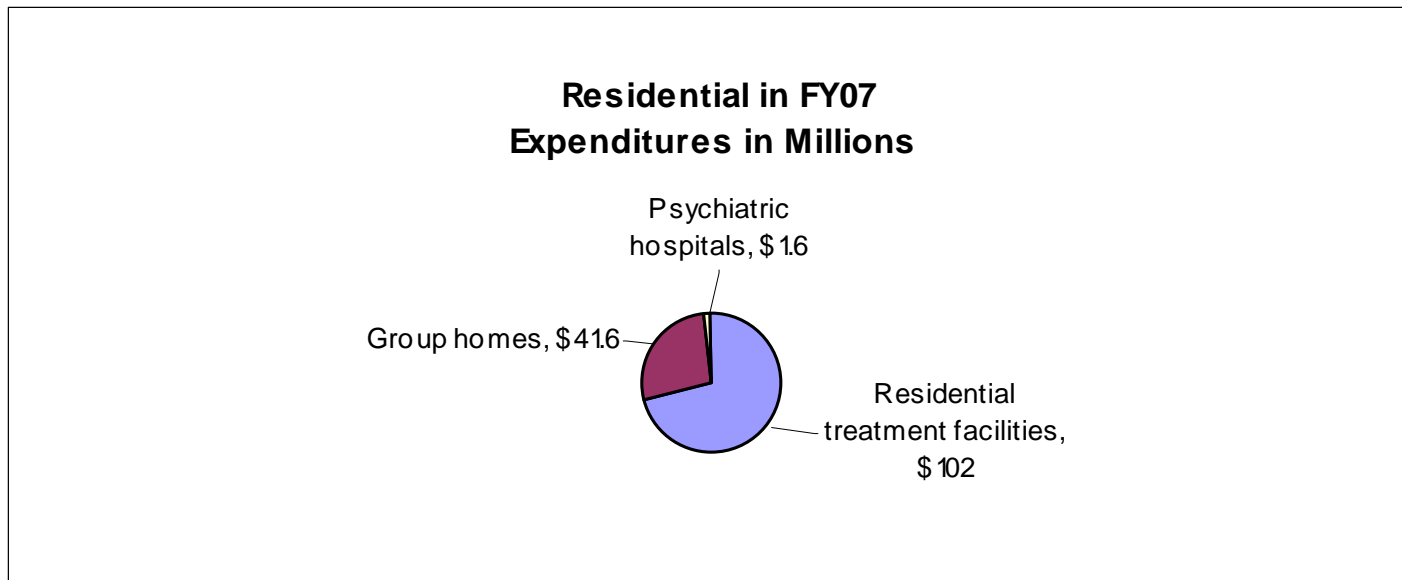


CSA Cost Driver: Residential Care

- 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



Major Initiatives

- Across all branches of government
 - JLARC study on children's residential care through CSA
 - Joint Legislative Subcommittee on CSA
 - Attorney General's opinion on custody relinquishment
 - Chief Justice's Commission on Mental Health Reform Child & Adolescent Task Force

- Strengthen families & bring children home
 - First Lady's "For Keeps" Initiative on permanent family connections
 - Annie E. Casey Foundation's Strategic Consulting Group – investing in family and community services; developing statewide practice model reinforced through training; reducing out of home care.
 - DMAS' federal 5 year grant bringing children home from psychiatric residential treatment facilities through funding family & community supports
 - DMHMRSAS System of Care Grants
 - CSA Innovative Community Services Grants
 - Commission on Youth and DMHMRSAS statewide conference on engaging families and using evidenced based practices within system of care

Paradigm Shift

Categorical Agency

Agency silos

Reactive & crisis-oriented

Blame/ignore 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

More family & community services

Child in home/community

Care coordinator for child

Community accountable

Pooling resources across sectors

Controlling costs; reinvesting

Tracking outcomes & costs

Innovative Community Services Grants

- \$750,000 in competitive start up funds to 16 localities
 - Spark development of innovative services to 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

- Roanoke & Botetourt Counties; Cities of Salem & Roanoke – \$79,893 - transition coordinator
 - 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

Innovative Community Services Grants

- Montgomery, Floyd, Pulaski, Giles & Radford – \$100,239 - transition coordinator to bring children back to their community.
 - 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 - wraparound coordinator & training.
 - 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, FAPT 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 - “host homes” where families live in homes of mentor families.
 - Developed orientation & training curriculum
 - Recruited & trained 12 families prepared to accept placements
 - Placed first family & successfully transitioned to own housing

- Lee, Scott, Wise Counties & Norton City – \$160,731 – regional wraparound coordinator, behavioral aide, funds to recruit/train therapeutic foster parents.
 - 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

Innovative Community Services Grants

- Richmond City – \$196,691 - 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 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 ind. 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 |

*Individual locality reports weighted by local CSA census.

FY07 Regional Top 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
 - Residential treatment and regular foster care

Performance to Date

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

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

- Decrease percentage of all 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*)

Performance to Date

- Some results can be achieved through:
 - Reduced number of children in residential care
 - 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 in residential care
 - 234 days in FY05
 - 211 days in FY06 – 23 day decrease
 - 217 days (*7 months*) in FY07 – 6 day increase
- 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

Goals & Strategies

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

Results to achieve

- 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

Strategies

- Secretary Tavenner's Children's Services Reform
- First Lady's "For Keeps" Initiative
- Casey Strategic Consulting Group
- DMAS Children's Mental Health Demonstration Program

Goals & Strategies

Goal 2: Strengthen Community CSA Systems

Results to achieve

- Increased effectiveness of CPMTs and FAPTs

Strategies

- Develop and implement statewide best practices model
- Implement standards for intensive care coordination and utilization management
- Institute ongoing systems of care training

Goal 3: Manage strong financial infrastructure

Results to achieve

- Increased use of alternative funding
- Reduced rate of growth in CSA pool expenditures

Goals & Strategies

Goal 4: Improve Informed Decision Making

Results to achieve:

- Decisions made based on sound information

Strategies:

- Enhance CSA data set
- Transition to CANS assessment tool
- Replace service fee directory
- Conduct critical services gap survey annually
- Improve CPMT management reports

Nonmandated Funding

- 2007 Appropriation Act (*Item 279M*)
 - Examine and report on the allocation, adequacy and equity of the funding allocations for non-mandated services to children served through the CSA program.
 - Recommend any changes necessary, including additional funding, to eliminate gaps in the formula

- Report strategy
 - Analyzed nonmandated services and expenditures by locality
 - Offered preliminary ideas to explore
 - Separating CSA mandated and nonmandated
 - Combining some nonmandated funds across agencies
 - Recommended further analysis and involvement of stakeholders in developing options and recommendations when rate of growth in mandated funds is lower and manageable.