#### Joint Legislative Audit and Review Commission

# Evaluation of Children's Residential Services Delivered Through the Comprehensive Services Act

Joint Subcommittee Studying the Comprehensive Services Act

June 19, 2007

#### **Study Mandate**

- HJR 60 (2006) directed JLARC to evaluate the administration of the Comprehensive Services Act
- Study mandate focused on
  - Analyzing the costs of residential services to determine whether Virginia receives quality services for the funds expended,
  - Offering recommendations to improve services and contain costs, and
  - Evaluating the adequacy of interdepartmental regulations and processes in preserving the health and safety of vulnerable children in residential facilities

### **Residential Rates Generally Appropriate**

- Residential care represents biggest opportunity for controlling CSA spending
  - Average per-child cost \$48K (FY05)
  - 54% of CSA spending but 25% of caseload
- Most residential facilities appear to charge appropriate rates
- However, some for-profit group homes charge rates that may not reflect intensity of services
  - Received only 10% of public funds (2005)
  - Better information system needed for efficient market

## Access to Full Array of Services Key to Controlling Spending and Improving Care

- Most local programs have had to place children in residential facilities due to lack of community-based alternatives
- Community-based care costs 1/4 of residential care
- Mismatched services can result in worse outcomes
- Most critical service gaps include: crisis services, family support, assessment, and foster families
  - Expand competitive grants to develop services
  - Increase foster family stipends

## Administrative Resources and State Guidance Could Further Enhance Program Effectiveness

- Localities fund 90% of CSA administration cost
  - 1/3 of localities have part-time or no CSA coordinator
  - 3/4 of local programs do not have utilization management staff
- Case review process could be prioritized
  - Focus on high cost and/or complex cases
- Expectations of local management team could be clarified

### Regulatory Environment Appears Inadequate to Support Child Health and Safety

- Enforcement efforts could be strengthened to ensure current regulations are followed
- More stringent regulations may be needed to consistently promote child well-being

### **Enforcement Efforts Could Be Strengthened**

- 21% facilities not visited at frequency required by Code
- No formal action taken against 1/4 of chronic violators
- Additional resources, training, clarity may be needed
  - Licensing staffing levels have not kept pace with growing number of facilities
  - Limited training
  - Few guidelines for policy interpretation

### Multiple Sources Point to Need for More Stringent Regulatory Standards

- Majority of providers report already exceeding minimum requirements
- However, some facilities meet only minimum standards and may not adequately ensure health and safety of residents
  - Strong and widespread concerns among licensing staff
  - Higher requirements in several nearby states
  - Stronger standards recommended by national experts
- Additional supervision, staff training and qualifications needed to ensure <u>all</u> providers adequately care for residents