

**JOINT SUBCOMMITTEE STUDYING THE COMPREHENSIVE SERVICES
ACT AND COMPREHENSIVE SERVICES FOR AT-RISK YOUTH AND
FAMILIES PROGRAM**

December 11, 2006

The third meeting of the Joint Subcommittee Studying the Comprehensive Services Act and the Comprehensive Services for At-Risk Youth and Families Program, and final meeting for the 2006 Interim, took place on December 11, 2006.

Presentation: Evaluation of Children's Residential Services Delivered Through the Comprehensive Services Act - Ms. Nathalie Moliet-Ribet, Joint Legislative Audit and Review Commission

During the first hour of the meeting, the members of the Joint Subcommittee heard JLARC's presentation of the final results of JLARC's study of children's residential services delivered through the Comprehensive Services Act (CSA). This study, conducted pursuant to HJ60, required JLARC to:

1. Evaluate the regulatory scheme and implementation of the Standards for Interdepartmental Regulation of Children's Residential Facilities to determine if the interdepartmental program should be continued or whether more accountability and assurances for the safety, health, and welfare of the children placed in residential facilities would be obtained by returning the responsibility for regulation of the various categories of facilities to the specific agency having the relevant expertise;
2. Collect data on and analyze the services purchased for CSA children to ascertain whether the Commonwealth and localities are receiving quality services for the money paid and whether rates for group homes and campus facility placements of CSA children are being set in a rational and cost effective manner;
3. Identify the impact on local jurisdictions of placements across jurisdictional lines of CSA children, including, but not limited to, possible costly services that are not reimbursed through CSA, such as law enforcement, fire protection, mental health services, and education, and determine any steps that should be taken to improve placements in home jurisdictions and any factors providing adverse incentives for placements across jurisdictional lines;
4. Identify the impact on CSA children when placed across jurisdictional lines away from their families, communities and potential support networks;
5. Determine the impact on delivery of appropriate case management and quality assurance by the funding jurisdiction when CSA children are placed across jurisdictional lines to determine whether such children are receiving appropriate care, case management, education, and supervision; and
6. Determine the regulatory and fiscal steps that are necessary, if any, to control costs, obtain quality services, ensure accountability for services, and protect the health, safety and welfare of the children placed in residential facilities, particularly when they are placed across jurisdictional lines.

In performing its study, JLARC conducted visits to 17 localities and numerous residential providers; surveys of every local CSA coordinators, all Virginia residential providers, many Community and Policy Management Teams, and case managers of 360 CSA participants; financial analyses of residential facilities, and analyses of licensing compliance data and residential program characteristics.

Conclusions presented at the meeting included:

1. The state's process for licensing and enforcing compliance in residential facilities does not appear to adequately support children's health and safety. Licensing standards and enforcement efforts need to be improved to ensure that all providers are held to a minimum level of care that better ensures the safety of children.
2. Limited information currently exists to assess whether residential providers effectively address the emotional and behavioral problems of Virginia's children, but available data suggests mixed results.
3. The CSA program served 16,272 children in 2005, one-quarter of whom received residential services that cost approximately \$194 million. Mechanisms that better control expenditures for residential services will likely yield the largest savings to the State because these services account for the majority of program spending.
4. Addressing gaps in the availability of community-based services would reduce program costs by decreasing the frequency of residential placements for children who can effectively and safely be served in the community. In addition, a more complete continuum of care would help children access the services best suited to meet their needs and realize the CSA program's original intent of serving youths in their homes and communities.
5. Most children's residential facilities appear to charge rates commensurate with the scope of their services and experience limited profitability, but some providers may charge high rates and realize excessive profit margins. Improving access to reliable information could enhance market efficiency without the need to resort to more formal mechanisms such as rate setting.
6. Although local CSA staff generally develop appropriate service plans, greater State resources for program administration coupled with additional guidance on prioritizing responsibilities would enhance accountability and help local CSA programs to better meet children's needs in the most cost-effective and efficient manner.

Discussion - Evaluation of Children's Residential Services Delivered Through the Comprehensive Services Act - Ms. Nathalie Molliet-Ribet, JLARC

Following JLARC's presentation of its findings, Ms. Nathalie Molliet-Ribet, Project Leader for JLARC's Evaluation of Children's Residential Services Delivered Through the Comprehensive Services Act Study answered questions posed by the members of the joint subcommittee.

Other Business

The joint subcommittee then discussed the recently released Attorney General's opinion that interpreted certain sections of the Comprehensive Services Act that require the provision of services to children with disabilities and children in need of foster care services, concluding that such sections, when read in conjunction with the definition of "foster care services" set forth in § 63.2-905 of the Code of Virginia, indicates that an eligible child does not actually have to be placed in foster care to receive mandated services and may be eligible to receive mandated services while remaining in the custody of his parents. The members of the joint subcommittee concluded that because state and localities will be required to bear the financial burden of funding services for this new category of children who are not placed in foster care but are mandated to receive services, it would be beneficial to study the effect of the Attorney General's opinion and passed a resolution calling for JLARC to study the effects of the resolution on state and local governments.

Next Meeting

This meeting was the final meeting for the 2006 interim. The next meeting will be held in the 2007 interim, date and time to be announced.