

**Statement of Jerry Doyle, CEO
EMQ Children & Family Services
Before the Little Hoover Commission
April 24, 2003**

Thank you for the opportunity to participate in the Little Hoover Commission's discussion on Human Service Funding and Governance in California. In particular, you asked me to speak on the dynamics of the existing funding system. I will also make comments on several other aspects of the current state of California's services for children and families.

- Perhaps the single largest problem confronting children's mental health services in California today is the lack of funding for AB 3632 services. AB 3632 (Sec. 26.5) is the vehicle through which California implements the mental health component of a federal entitlement program, Public Law 94-142, which mandates that every child is entitled to a free and appropriate public education and all necessary related services.

Under AB 3632, if a child's Individual Education Plan (IEP) indicates that she/he needs mental health services, the county mental health program is mandated to provide them, directly or through contract. In recent years, these claims have been paid through the SB90 mandates commission. However, the governor's budget, for the second year in a row, proposes to defer the payment of over \$100 million of county claims for state reimbursement, even while acknowledging that children are entitled to these services and that the state has financial responsibility for them.

Suggested Solution: Research how to make every child who has a need for mental health services identified in his/her IEP automatically eligible for Medi-Cal. Since these services are based on a Federal entitlement, it seems reasonable that Medi-Cal, the Federal program that provides such services, be utilized to pay for them. Since this Federal entitlement is to the child, not to the family, it further seems reasonable to consider the child a "family of one," considering only the child's income in determining the child's financial eligibility for Medi-Cal. This solution would have several major advantages including getting half of the \$100 million annual cost of the services from the Federal government and the ability to utilize the existing utilization management vehicles and cost controls already present in the Medi-Cal system.

- Do not realign entitlement programs, where counties do not have the ability to control eligibility for services. There is no way the counties can control the caseload or the cost of these services.
- Currently, a "Provisional rate" for mental health services is negotiated by community mental health agencies with the county mental health department prior to beginning of the fiscal year. However, agencies are often not notified of the final "state approved rate" until long after the end of the fiscal year. This leaves community agencies in the untenable position of providing services without knowing what they will be paid for those services until the fiscal year is already over. Since mental health funding has been realigned, the counties should have the authority to approve the final rate up to the State Maximum Allowable rate (SMA). Short of that the State Department of Mental Health should be required to approve the final rate prior to the beginning of the fiscal year.

- Federal Financial Participation (FFP) -- California lags far behind many other states in generating federal dollars to help fund services to children and families, and there are opportunities to bring in more Federal dollars. For example, in the funding for group homes, social work services are currently a "state-only" cost. However, almost all group home children are eligible for Medi-Cal, and under Title XIX these social work costs potentially could be matched dollar for dollar with Federal funds.

Suggested Action: Identify the five states with the highest per capita Federal Financial Participation, and see what ideas we could implement in California.

- In the current environment, we must be careful not to let Utilization Management or other "accountability" costs soar at the same time resources are being drastically cut, e.g., last year as the children's System of Care program funds were cut in half by the governor, reporting requirements were vastly increased.
- Support "reasonable licensee" standard for determining when CCL should issue a citation (SB 1003), making it possible for foster caregivers to act as prudent parents in care of children and youth.
- Support single state mental health certification for agencies working with foster children from multiple counties.
- Support funding for and easy access to specialized post-adoption services.
- Support removing barriers to adoption of children in child welfare system, including reduction in funding for support post-adoption.
- Support use of community based agencies to help reduce workload on county CWS staff; e.g., allow for shift of case management responsibilities to Foster Family Agency (FFA) social workers for children placed in FFAs and to qualified community-based organizations for family maintenance activities.
- Support adoption of evidence-based practice. In March 2002, the California Institute for Mental Health published an excellent document titled "Evidence-based Practices in Mental Health Services for Foster Youth." On page 34 of the document, Table 1 lists Wraparound and Treatment Foster Care based on the Oregon Social Learning Model as effective services. They further identified Early Intervention Programs and Foster Parent Training: An Attachment Theory Prospective as promising practices. We need to encourage the diffusion of these programs throughout California. At the present time, the major barrier to the diffusion of Wraparound is the availability of Title IV-E dollars. California should seriously consider the pros and cons of the Bush Administration FY 2004 proposal to create an alternative flexible funding option for the Foster Care Program. As in any block grant, the downside of this proposal is the loss of the entitlement. On the other hand, under this proposal California could utilize Title IV-E dollars to support Wraparound services without the current barrier of random assignment of children to control groups.

- Require state to "fund expectations." Current group home rate funds expectations based on 1985 data. Rates run approximately 17% less than actual reported allowable costs, without change in expectations.
- In response to the most recent Little Hoover Commission report on Foster Care:

Re: Recommendation for single leader for foster care in state government. Support designation of Secretary of Health and Human Services as leader since s/he has authority over CDSS, DMH, and CDH, all of which are key to assuring quality and coordination of services and support for foster children. Oppose additional positions. Current departmental positions can be contributed to collaborative effort.

Re: Recommendation for transforming foster care ombudsman into Child Welfare Inspector General. Oppose punitive, military approach to assuring accountability and service equitability. Support collaborative efforts, like those in CWS Redesign Stakeholders, to bring together key stakeholders. Support tying state funding to program outcomes.

- Apply the key lessons of the CWS Stakeholder's Group have discovered that underpin the philosophy to redesign:
- Interventions based simply on parental blame and punishment do not necessarily make children safer. It takes a well-timed, supporting relationship, fortified by sufficient safety and change-oriented services matches to the assessed strengths and needs of the family to secure lasting protection.
- In general, creating opportunities to improve families' parenting capacity results in better outcomes than encouraging removal of children from their families.
- The threat of losing one's children is not a sufficient motivator for change; building on family strengths, engaging the family's natural support systems, providing needed services and supports and promoting genuine involvement of the family in decisions affecting their child's safety, permanence and wellbeing are more effective.
- Children do better when natural connections to their birth family can be preserved, regardless of the permanent living arrangement ultimately decided.

Again, thank you for the opportunity to participate in this process.

I look forward to working with you to continue to improve services to California's most vulnerable children and families.