

Approved: 1-26-99
Date

MINUTES OF THE SENATE COMMITTEE ON PUBLIC HEALTH AND WELFARE.

The meeting was called to order by Chairperson Sandy Praeger at 10:00 a.m. on January 19, 1999 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Emalene Correll, Legislative Research Department
JoAnn Bunten, Committee Secretary

Conferees appearing before the committee:

Janet Schalansky, Deputy Secretary, SRS
Joyce Allegrucci, Commissioner, Children and Family Services, SRS

Others attending: See attached list

Update on Family Preservation, Adoption and Foster Care

Janet Schalansky, Deputy Secretary, SRS, introduced Joyce Allegrucci, the new Commissioner of Children and Family Services, SRS. Commissioner Allegrucci noted that with its movement toward instituting managed care and performance based contracting in child welfare service delivery, Kansas privatized Family Preservation, Adoption and Foster Care, the three components of its child welfare system during the time period of January 1996 to February 1997. The state was divided into five regions for these three services. Results of the findings of outcome measures in Family Preservation, Adoption and Foster Care were outlined for the Committee as noted in her written testimony. (Attachment 1).

Commissioner Allegrucci pointed out that the two main goals of SRS relating to adoption were safety of the child being adopted and permanency placement of that child. During Committee discussion, Commissioner Allegrucci noted that Lutheran Social Services is the contractor for adoption services. There have been approximately 841 adoptions as of this date, with approximately 500 adoptions being processed. That figure has doubled since privatization. The Chair brought the Commissioner's attention to the chart in her written material showing Outcome Measures relating to adoptive family members satisfied with adoptive services dropping from 100% in year one to 59% in year three, which the Commissioner acknowledged needed to be looked into.

In regard to Foster Care Funding Issues, Commissioner Allegrucci updated the Committee on the initial case rates per the three contractors, risk share per contract, and caseload of the foster care system. She noted that the number of open foster care cases, those cases which the contractors are responsible for, increased 34% overall from June 1997 to October 1998. There are two factors that explain the increase in the number of children in custody which total approximately 4,500. Children are staying in custody longer than was assumed in establishing the case rates, and second, there has been an increase in the number of children coming into custody due to the increased emphasis on child abuse/neglect investigations. In regard to substance abuse, 75% of the teenagers have substance abuse problems. The Committee expressed interest in knowing what percentage of those teenagers are receiving treatment for their substance abuse, as well as the amount of money spent on administration and direct services in foster care.

Approval of Minutes

Senator Jones made a motion to approve the Committee minutes of January 14 and 15, 1999, seconded by Senator Salmans. The motion carried.

Adjournment

The meeting was adjourned at 11:00 a.m.

The next meeting date is scheduled for January 20, 1999.

SENATE PUBLIC HEALTH AND WELFARE COMMITTEE GUEST LIST

DATE: 1-19-99

NAME	REPRESENTING
Ann Miller	KAPE
Tim Wood	VIA CHRISTI HEALTH System
Scott Rothschild	Wichita Eagle
Robin Lehman	Ks Action for Children
J. R. Remy	Katoan
Rich Guthrie	Nebraska Midwest
TK Shively	Ks Legal Services
Stacy Soldant	Hein & Wein Chedel.
Bob Williams	Ks. Pharmacists Assoc
Greg Tugman	DOR
Kandy Shortle	SRS
Shannon Mahzanas	SRS / CRS
Bill Kenny	Ks Governmental Consulting
Ken Gally	McGill, Gaches & Assoc
Jessica Travis	NOW
Bob Harder	Self
Dodie Weltshead Johnson	Ks Action for Children
Melissa J. Ness	Ks. Children's Service League
Carolyn McEandorf	KSDA

**State of Kansas
Department of Social
& Rehabilitation Services**

Rochelle Chronister, Secretary
Janet Schalansky, Deputy
Secretary

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**Senate Public Health and Welfare
January 19, 1999**

Testimony: Update on Family Preservation, Adoption and Foster Care

**Children and Family Services
Joyce Allegrucci, Commissioner
(785) 368-6448**

Senate Public Health & Welfare
Date: 1-19-99
Attachment No. 1

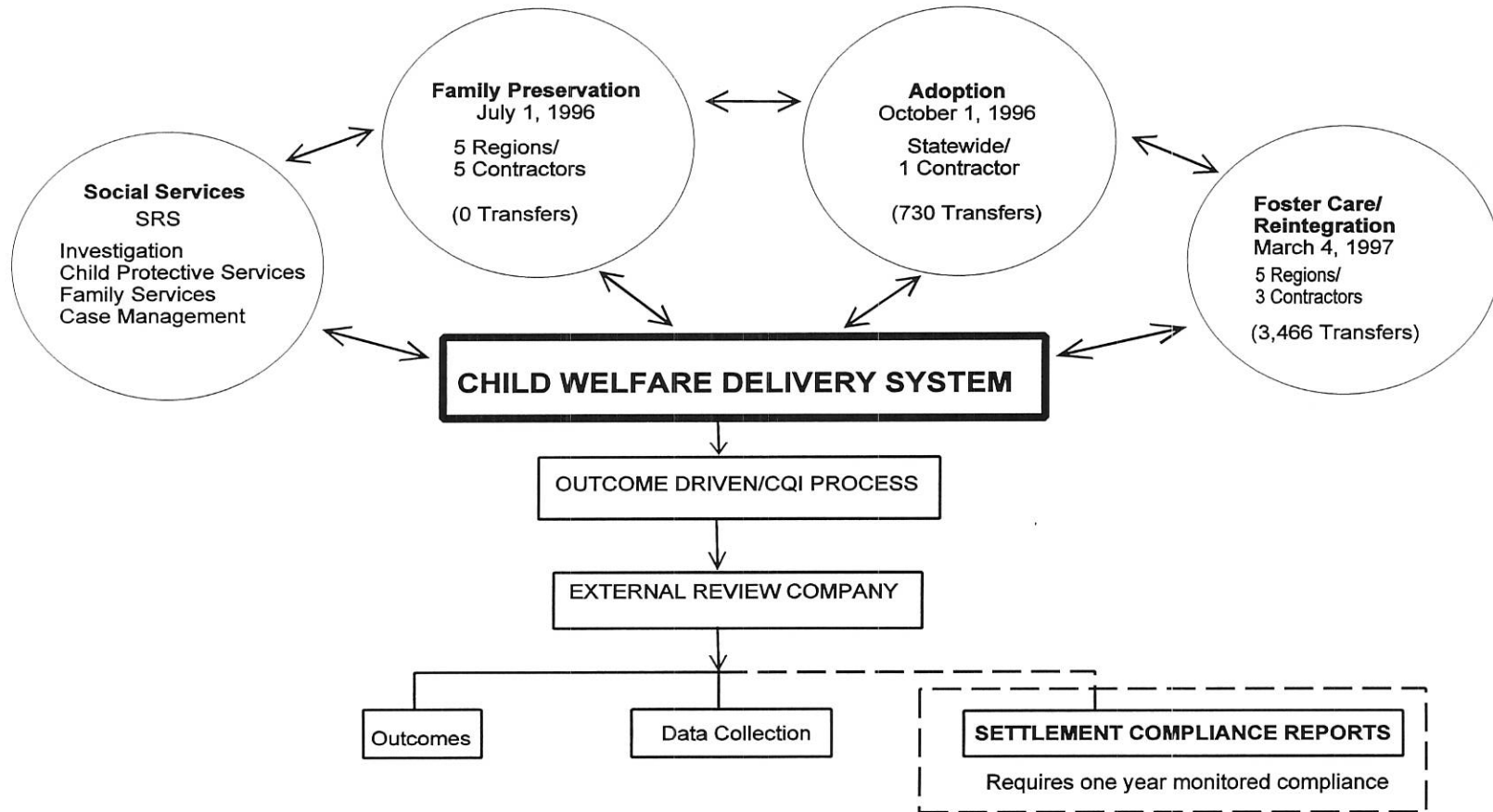
Contents

Testimony	None
Attachment A	Kansas Child Welfare Initiatives Overview
Attachment B	Outcome Measures
Attachment C	Review of Foster Care Funding Issues

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KANSAS CHILD WELFARE INITIATIVES OVERVIEW



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FAMILY PRESERVATION

MEASURE	Year One	Year Two	Nov. 98
Outcome #1: Contractor shall accept all SRS referrals.			
1. 97% of all families shall be engaged in the treatment process.	98%	98.6%	98.2%
Outcome #2: Children will be safe from abuse and/or neglect.			
1. 90% of families will not have confirmed abuse or neglect during program participation.	98%	99.1%	99.8%
2. 80% of families successfully completing the program (no child removed from the home) will have no confirmed reports of abuse or neglect within six months of case closure.	97%	96%	95%
Outcome #3: Children will not require out of home placement.			
1. 80% of families will not have a child placed outside the home during program participation.	90%	91%	95.8%
2. 80% of families successfully completing the program (no children removed from the home) will not have a child placed outside the home within six months of case closure.	89%	92%	93%
Outcome #4: Deleted in year three.			
Outcome #5: Deleted in year two.			
Outcome #6: Family members will be satisfied with services provided.			
1. Participants (parents and youth ages 14 through 21 living in the home) will report 80% satisfaction measured by the Client Satisfaction Survey 30 days from the start of the program.	90%	91%	94%

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ADOPTION

MEASURE	Year One	Year Two	Nov. 98
Outcome #1: Children shall be placed for adoption in a timely manner.			
1. 55% of children shall be placed with adoptive families within 180 days of the receipt of the referral for adoption.	36.6%	40%	45%
2. 70% of children shall be placed with adoptive families within 365 days of the receipt of the referral for adoption.	N/A	67%	65%
Outcome #2: Children shall have permanent homes through the adoption process.			
1. 90% of adoptive placements shall be finalized within 12 months of the placement date.	N/A	89%	83%
2. 90% of adoptive placements shall continue to be intact 18 months following finalization.	N/A	100%	100%
Outcome #3: Adoptive family members shall be satisfied with adoptive services.			
1. 90% of families (parents and youth age 14 and over living in the home) shall report satisfaction with the adoption process at the time the adoption is finalized.	100%	92%	59%
Outcome #4: Siblings should be kept together.			
1. 65% of children will be placed with at least one sibling.	72.5%	69%	74%
Outcome #5: Children shall remain in the same foster care placement pending adoption.			
1. 90% of all children placed for adoption shall experience no more than two moves from the point in time parental rights are terminated until the adoption is finalized.	98%	99%	97.9%
Outcome #6: Children are safe from maltreatment			
1. 95% of children in the care and supervision of the contractor will not experience substantiated abuse/neglect prior to finalization.	N/C	99%	100%

N/A: Long Term outcome, not yet able to measure.

N/C: Outcome was added in subsequent year.

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REINTEGRATION (FOSTER/GROUP CARE)

MEASURE		Year One	Nov. 98
Outcome #1: Children are safe from maltreatment.			
1.	98% of children in the care and supervision of the contractor will not experience confirmed abuse/neglect while in placement.	99.9%	99.2%
2.	80% of children will not experience confirmed abuse/neglect within 12 months after reintegration.	N/A	96.6%
Outcome #2: Children experience a minimal number of placements.			
1.	70% of children referred to the contractor will have no more than three moves subsequent to referral.	96.8%	88.9%
2.	65% of all children will be placed with at least one sibling.	74.1%	78%
Outcome #3: Children maintain family, community and cultural ties.			
1.	70% of children referred after the implementation date are placed within their contract regional boundaries.	87.3%	80%
2.	75% of youth, 16 and over, released from custody have either completed high school, obtained a GED or are participating in an educational or job training program.	48.8%	80%
Outcome #4: Children are reunited with their families in a timely manner.			
1.	40% of children placed in out-of-home care are returned to the family or achieve permanency within six months of referral to contractor.	20.9%	25%
2.	90% of children integrated with their family do not re-enter out-of-home custody within one year of return home.	N/A	67%
3.	65% of children achieve permanency within one year of referral to contractor.	N/C	33%
Outcome #5: Clients will be satisfied with services.			
1.	80% of parents and youth (ages 14 and over) report satisfaction with services as measured by the Client Satisfaction Survey upon case closure.	62.2%	53% Adult 70% Youth

N/A: Long Term outcome, not yet able to measure.

N/C: Outcome was added in subsequent year.

**Review of Foster Care Funding Issues
December 23, 1998**

I. Background

✓ **Initial Case Rates Per the Contracts**

Contractor	1st Year Rates Paid Per Child	2nd Year Rates Paid Per Child*	3rd Year Rates Paid Per Child	4th Year Rates Paid Per Child
Kansas Children's Service League	\$15,504	\$14,876	\$14,080	\$13,564
Kaw Valley Center	\$12,860	\$13,240	\$13,640	\$14,060
United Methodist Youthville	\$13,550	\$13,943	\$14,347	\$14,763

These moneys were intended to cover the cost of all placements and services (food, clothing, shelter, mental health services, etc.) until the child has been successfully placed at home. The contractor is also responsible for services for up to one year to ensure that the child remains at home. Physical medical treatment and drug and alcohol services are excluded from the rates. The concept was that the contractors would make money on some children and lose money on others, but would cover their costs overall.

✓ **Risk Share Per the Contracts**

The concept of risk share was a component of the original Foster Care contracts. Risk sharing was built into the contracts to compensate for a lack of historical data on expenditures and is redefined annually.

II. So, what happened?

✓ **SRS budgeted for Foster Care based on the initial case rates that turned out to be too low.** The case rates did not cover the contractors costs. SRS erred in not anticipating that the rates were too low and the subsequent substantial impact of risk share on the budget.

✓ **Increased Caseload.** The foster care contractors have had a significant increase in the number of children in their care. The number of open foster care cases - those the contractors still are responsible for- increased 34% overall from June 1997 to October 1998. There are two factors at work that explain the increase in the number of children in custody. First, children are staying in custody longer than was assumed in establishing the case rates. This increases the caseload because fewer children are leaving custody. Second, there has been an increase in the number of children coming into custody due to the increased emphasis on child abuse/neglect investigations.

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III. What has SRS done?

- ✓ **SRS paid \$20.5 million for Risk Share Year 1.** Under the Year 1 provision, SRS paid two contractors, Kaw Valley and United Methodist Youthville, that allowed them to recoup part of their excess costs. The three contractors absorbed nearly \$5.0 million in losses. SRS managed to cover most of Year 1 Risk Share at the end of FY 98 by using one-time federal funds resulting from the Maximus revenue maximization project; forced savings in field operations; maximizing federal funds; underspending in child support pass through payments; and squeezing every available federal and state dollar.
- ✓ **SRS made a one-time payment of \$24.7 million to the contractors to help with the costs of the transition children who remained in custody longer than anticipated.** (SRS public announcement in September including presentation to Legislative Budget Committee). The additional funding was from the federal TANF Block Grant. TANF dollars for child welfare "emergency assistance" can be used for limited purposes for abused, neglected, and abandoned children.
- ✓ **SRS has issued a Request for Proposal** to contract with a vendor to do a financial data collection and analysis of the three foster care contractors and the adoption contractor. The vendor will collect data regarding average monthly costs, length of stay and rates paid by the contractors to subcontractors. The vendor will review cash flow and the financial position of each contractor and develop recommendations regarding the case rate payment system and the OCR payment system. The final report is anticipated to be completed by mid-April.
- ✓ **Foster Care negotiations for Year Three** (February, 1999 through June, 1999) are beginning this month. The negotiations have been accelerated in order to move the contract negotiations in concert with the State's budget cycle.



STATE OF KANSAS

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SRS Areas

Topeka Area

Kansas City Area

Manhattan Area

Hays Area

Lawrence Area

Salina Area

Garden City Area

Emporia Area

Olathe Area

Hutchinson Area

Chanute Area

Wichita Area

○ SRS Area Office

- Region 1 = Olathe, Chanute, Emporia
- Region 2 = Kansas City, Lawrence
- Region 3 = Topeka, Manhattan, Salina
- Region 4 = Hutchinson, Hays, Garden City
- Region 5 = Wichita

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