



Council of Family and Child Caring Agencies
Leadership, Voice and Vision for Child Welfare in New York State

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Testimony Presented by

James F. Purcell, CEO

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Joint Legislative Hearing

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Good afternoon, my name is Jim Purcell and I am the CEO of the Council of Family and Child Caring Agencies (COFCCA), the statewide membership association for nearly all of the not-for-profit agencies that provide child welfare and juvenile justice services to New York's abused, neglected, and troubled children and their families. We represent child welfare agencies of all sizes from across the state, from small community-based child abuse and foster care prevention programs to large, multi-service agencies providing foster family, residential, and other services to hundreds of children and families each year.

Many of your colleagues in the Assembly and Senate have already met representatives from these local organizations when they came to your offices or invited you to their programs to discuss the needs of the state's children and families under the umbrella of COFCCA CARES. If not yet, we hope you soon will. On behalf of our 100+ member agencies and the thousands of children and families they help, we thank Chairmen DeFrancisco and Farrell for the invitation to appear today, and we look forward to continuing to work with the chairs of the Assembly and Senate Children and Families Committees, Assembly member Donna Lupardo and Senator Simcha Felder.

We start by thanking the Legislature for your support of the rate increase to for the 853 and Special Act Schools last year. The residential foster care agencies rely on these schools and without a quality education, the children in care would suffer negative consequences on return to their home communities. Your recognition of the children's right to a free and appropriate education by supporting their educational needs and these Schools did not go unnoticed. We hope we can count on your continued support in the education budget for long-term rate reform.

We are pleased that last year the Governor and the Legislature maintained child welfare financing and the foster care block grant and that the Governor's budget continues these funding levels. This funding is essential if New York State is to continue to lead the nation in the declining use of foster care, which is only possible because of our strong Preventive Services system. Keeping Preventive Services an open-ended reimbursement makes it possible for New York City and counties throughout the state to keep at-risk children safely at home and stabilize their families to prevent foster care placement when possible. The State's investment in Preventive Services has resulted in hundreds of millions of dollars in cost savings in foster care while strengthening families and improving the parenting capabilities of mothers and fathers.

We were also happy to hear in the Governor's State of the State address his commitment to a careful review of the issues related to Raising the Age to 18. We look forward to the work of the Commission and to ensuring that we raise the age in 2015.

Current Concerns in Child Welfare

Funding for Foster Care Agencies and Foster Families

While the Executive Budget continues the current foster care funding, it again fails to fund any cost of living adjustments for the provider agencies or for foster and adoptive parents. This will be the fifth year of no adjustments to reflect rising costs, estimated at over 10% during this period. A six year review of the financial conditions of all the child welfare agencies in New York conducted by the Baruch College Center for Nonprofit Strategy and Management demonstrates that over this period our agencies have operated with negative margins – in other words, they have no money and they are losing money every year supporting New York's most vulnerable children. Faced with rising prices for health insurance, compliance with state mandates (for example the Justice Center, EO 38, the MTA tax, etc.), heating fuel, groceries, and other operating necessities, their only recourse is to cut already-stingy staff fringe benefits (increasing insurance co-pays and deductibles, failing to fund retirements, etc.), cut staffing, and make other cuts that ultimately hurt the New Yorkers who work for them. This has real impacts on the lives of the children in foster care and their families. It exacerbates the challenges of recruiting and retaining high quality foster parents, and delays adoptions as families have to wonder if they can afford the added costs imposed on them.

We need the Legislature's help to raise awareness of preventive services, foster care, and the challenges being faced by the agencies serving these children and families. Funding for these programs has been a problem that increases in scope every year. This is a long-term problem and the rate setting process is in need of a serious examination. While we are not asking the Legislature to make changes in the context of this current budget, the State needs to take steps soon to ensure youth at risk and their families continue to receive the high-quality assistance they need and deserve. A proper funding process will not only help those receiving services, but will impact the 44,000 employees of the agencies and the communities in which they live and in which our services are provided.

Last year we were vigorous supporters of the Governor's Justice Center proposal and worked with you to see it passed. But implementation over the past seven months has been frustrating and costly. What have become chronic delays in approving clearances so staff can be hired drive up overtime costs. Delays far beyond the 60 day period in statute for making an investigation determination mean that staff who were placed on administrative leave with pay back in July, whose cases should have been finalized by September, are still out of work but in some cases being paid. Of course staffing requirements demand that they are replaced, either with overtime or new workers. These costs are state imposed mandates, but the budget, while calling for more resources for the state agency Justice Center, does not provide the

needed additional operational funds for provider agencies. It is ironic that the state fails to consider cost increases it imposes on providers, while demanding high quality services. The Justice Center, while welcomed by our agencies and well intentioned, is simply not doing its job in a way that, as promised last year, improves the safety of clients and respects the hard work and dedication of the vast majority of our front line staff.

Transition of Foster Care into Managed Care

As the state implements Medicaid Managed Care across systems, child welfare professionals see an opportunity to improve assessments, eliminate duplications of earlier treatments, and comprehensively treat children's medical and behavioral health issues. However, the foster care agencies need to be ready to fully use Medicaid Managed Care when our children are scheduled to be included beginning with health Homes in January 2015. Our colleagues at the Office of Children and Family Services and the Department of Health recognized that the foster care agencies play an important role in providing and coordinating medical and behavioral health treatment to New York State's children. They also recognized that Medicaid Managed Care gives all of us the opportunity to improve services to children before, during, and after foster care – but only if Medicaid Managed Care for foster youth is done right.

Last October, with OCFS' and DOH's assistance, we issued a report, "Raising the Bar for Health and Mental Health Services for Children in Foster Care: Developing a Model of Managed Care." Our report details our findings of youth health before, during, and following foster care discharge, and makes recommendations on such cost-saving measures as use of evidence-based interventions, coordination of case management, and continuity of care and services to prevent the need for higher-order treatment and/or return to foster care. (The report can be found on our website at <http://www.cofcca.org/current-newstrending-now/1384>.)

With the support of OCFS and DOH we were able to access Medicaid claims and encounter data for 73,000 children and youth in foster care over a nine-year period. We found a pattern where children underutilized health services before entering care and often again after leaving care, meaning health and behavioral health gains made during foster care placement were likely lost and children were again receiving inadequate care. This is expensive for New York as a lack of sufficient routine care, like well-child visits, may be driving the per-child per-month emergency room cost of \$135 three months after exiting foster care we saw in the data. We support Medicaid Managed Care because we believe it offers an opportunity to better coordinate children's health and behavioral health before, during and after foster care. Better-coordinated care is better for kids, their families, and our state.

Our report makes several recommendations about how to best implement Medicaid Managed Care in child welfare, and we encourage you to look at the report for more details, but today we are focused on one particular need. For us to be able to achieve Medicaid Managed Care's potential, foster care providers need to be able to make the transition from being outside New York's health system to having a role and a place within it. Currently, no one is certain what that role or place might be, or if one role or place would apply to all foster care providers. There's no roadmap for the agencies to determine how they and the Managed Care Organizations will best be able to work together. The one thing foster care agencies do know is that making any transition with Medicaid Managed Care is going to come with a cost.

Unfortunately, the foster care agencies are ill-equipped to take on additional costs. They have operated for five years with no rate increases, even though their personnel and facilities costs increase annually with inflation. The foster care agencies have had to struggle to decrease costs (such as cutting employee benefits) and increase donated revenue (which has been difficult in a struggling economy). Preparing to interface with Medicaid Managed Care promises to be costly in terms of time and money, especially since

these agencies do not already have a foot in the DOH world and will have to build infrastructure from scratch.

We are therefore very happy to see funding in the Governor's budget to assist in making necessary infrastructure and organization modifications, collect utilization data, and make investments in health information technology. When we say Medicaid Managed Care has to be implemented "right" for foster youth, these are the kinds of supports that will help us all do it "right" and improve health treatment for children.

Post Adoption

We are very concerned about the lack of post-adoption support for parents in our state. Disrupted adoptions have made the news in the past years, including the young boy sent back to Moscow by his adopted mother and the unearthing of an on-line "rehoming" community, where burnt-out adoptive parents placed their adopted children with total strangers found on the Internet. These were attention-grabbing stories, but the reality is adoptive families across the state approach the breaking point on a regular basis. Parents whose adopted children have difficult emotional, mental, and behavioral issues who cannot find sufficient help for dealing with their children can be faced with the need to dissolve their families and place the minor adopted children in foster care – which is where 68% of adoptees came from in the first place. Failing to provide support to these families when the children are in their care most assuredly costs the state more when the children return to the state for care. We owe these families better support.

New York State has funded post-adoption programs and services through TANF funds first added to the budget by the legislature since 2000. These funds have been gradually reduced and now there are only one or two small programs continuing. Even with the TANF funds that were available these services never covered all of the counties in the state. There is no funding in the Governor's budget for them this year. We urge you to provide funding for post-adoption in the amount of \$10 Million. It is imperative that the state provide critical services and supports for these families, who have voluntarily accepted these children into loving homes, to support them when the challenges the children face - mostly from the traumatic events in their early lives - re-appear, especially in adolescence.

Safe Harbor – Services for Sexually Exploited Children

Finally, as I wrote this, New York was in the midst of pre-Super Bowl fever. But along with the thousands of sports fans and tourists, the Super Bowl brings sexual trafficking – pimps looking to make a quick killing bring young girls and boys to sell at major sports events like these. While the numbers brought in specifically for events are unclear, what we do know is it doesn't take a major sporting event for youth to become enmeshed in prostitution and the sex trade.

As awareness of sexual trafficking grows, so too is awareness that children in foster care are very vulnerable to sexual traffickers' particular methods of coercion. We are gratified that last year you passed, and last month the Governor signed into law a bill that gives 16- and 17-year-old sex trafficking victims the same protections from prosecution as those given to younger victims. But while this law acknowledges the youth are victims, the Executive budget does not fund Safe Harbor programs that help sex trafficking victims recover. That gap between decriminalizing and funding treatment worries child welfare professionals who anticipate many victims returning to prostitution in the absence of appropriate post-trafficking support.

The Safe Harbor Act authorized treatment and case management services, but only one year of State funding has been released, hampering the implementation of the necessary programs. The state needs more prevention, outreach, outpatient treatment, residential treatment, and safe houses to deal with its

sexual trafficking program and to protect vulnerable youth. We need a full continuum of prevention and treatment services, one that addresses the needs of both boys and girls who are at risk or in danger and their families. Overall reform to this legislation and its funding is needed, and we encourage you to work with the Governor to address this need through amending his Executive Budget to include funding for these critical services.

Family Court

Based on state statutes, family court judges play a central role in the decision making processes in every aspect of child welfare. Family court judges approve local district actions to remove children from their families and place them in foster care; family court judges decide when it is appropriate to return a child to their family; and family court judges decide when to terminate parental rights and place a child for adoption. Between all these actions, state statute requires regular hearings in the court to monitor progress and issues in every case.

Based on all of this, it is imperative that the state provide sufficient resources to the court to address these responsibilities in a respectful and timely manner. In some jurisdictions, and most particularly in New York City, there are simply an inadequate number of judges and too few resources to meet these expectations. Cases are routinely adjourned, in many instances for months at a time, while children wait for these vital decisions that will directly impact the course of their lives. In New York we can do better than that. We urge you to address this problem in this year's budget.

RECOMMENDATIONS:

Medicaid Managed Care:

- Support the recommendation in the Governor's budget that allots \$5M for technical assistance to foster care system for Medicaid Managed Care implementation

Post Adoption Services:

- Support the continuation and increase of post-adoption funding to \$10M for post-adoption services to preserve adoptive families and prevent outcomes more costly to the state

Safe Harbor funding for Sexually Exploited Youth:

- Support the continuation and increase of funding for Safe Harbor to expand services to more localities in the state through amendment to the Executive Budget in the 30 day period. . (Currently, Safe Harbor funding has only been allocated to five counties: the five boroughs of NYC, Westchester, Erie, Onondaga, and Monroe.)

Family Court

- Add funding for additional judges and resources to expedite permanency for foster youth

Community Reinvestment in Juvenile Justice Services:

- Restore \$5 million in funding for seven OCFS-contracted Juvenile Justice Community Reinvestment programs in Nassau, Suffolk, Monroe, and four NYC boroughs. These programs were newly created in 2011 and are perfectly aligned with New York's juvenile justice reform agenda since they provide community-based services to younger youth at risk of juvenile justice placement in the specific zip codes with the highest rates of juvenile justice placements

We are of course always available to assist you in any way possible. Thank you.