
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



JLARC

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 all providers adequately care for residents