

#### Developing an Advocacy Agenda for 2019 Virginia General Assembly

#### The Issues:

- Special Education Funding / Private Day Placements
  - o Repeal / Modify 2% Rate Cap Language (July 1, 2019)
  - o Monitor Outcomes Study Implementation
  - o Monitor Rate Study / Provider Participation Activities (July 1, 2019)
  - o HHR Joint Oversight Subcommittee / JLARC Special Education Study? (2019-2020)
- Family First Prevention Services Act Implementation (DSS-Title IV-E) (October 1, 2021)
  - o Evidence-Based Provider "Stand Up" Funding
  - o Continued Participation in Three Branch Initiative
- Behavioral Health Redesign Initiative (DMAS/DBHDS)
  - o Continued / Expanded Participation in Work Group(s)
  - o Monitor Proposed Legislative / Regulatory Changes
- DMAS PRTF Rate Review / Cost Analysis (Due October 1, 2019)
- MCO's Behavioral Health Continuing Rollout (CCC Plus, Medallion 4)
- Fingerprint / Central Registry Background Checks
- Education Costs for Non-CSA Parental Placements
- Others: Medicaid Expansion Implementation / IACCT Impact Magellan / DMAS



### History/Background - Private Special Education Funding Issue

- <u>2014 Legislation</u>: Attempt by Stafford County to access CSA funds to bring back children from private day placements and serve in public schools; led to COY Study.
- <u>2014 2015 Study</u>: Commission on Youth Study on Private Educational Placements
- <u>2016 Budget Language</u>: CSA / DOE Work Group Study; included option for SPED "carve out" from CSA
- 2017 Budget Language: HHR Oversight Joint Subcommittee Workgroup (continuing)
- 2018 Budget Language:
  - Outcomes Workgroup Study (Reported November 1, 2018)
     <a href="https://rga.lis.virginia.gov/Published/2018/RD434/PDF">https://rga.lis.virginia.gov/Published/2018/RD434/PDF</a>
  - o 2% Rate Cap (Effective July 1, 2019)
  - o Private Consultant Rate Study (Report Due July 1, 2019)



### History/Background - Private Special Education Funding Issue

#### • 2018 Budget Language, 2% Rate Cap:

"Notwithstanding any other provision of law, the rates paid by localities to providers of private day special education services under the Children's Services Act shall not increase more than two percent above the rates paid in the prior fiscal year. This provision shall take effect July 1, 2019, such that the rates paid in fiscal year 2020 shall not increase more than two percent over the rates paid in fiscal year 2019. All localities shall submit their contracted rates for private day education services to the Office of Children's Services by August 1 of each year."



#### Key Dates / Events

- •JLARC Meeting (November 13)
  - Consideration of Special Education Study, 2019-2020
- •House Appropriations Committee Retreat (November 13-14)
  - o CSA SPED Agenda Item (November 13)
- •Senate Finance Committee Retreat (November 15-16)
- •Joint Subcommittee on HHR Oversight (November 26)
- •Drafting Request Deadline for Pre-filed Legislation (December 3)
- •JLARC Meeting (December 10)
  - o Presentation of Report on Foster Care and Adoption Services in Virginia
- •Governor Budget Presentation to Joint Money Committees (December 18)
- •2019 Session of the Virginia General Assembly Convenes (January 9)



Joint Subcommittee for Health and Human Resources Oversight

#### • Senate Members:

- Senator Emmett Hanger (R-Augusta)
- Senator Janet Howell (D-Fairfax)
- Senator George Barker (D-Fairfax)
- Senator Siobhan Dunnavant (R-Henrico)

#### • House Members:

- Delegate Chris Jones (R-Suffolk)
- Delegate Steve Landes (R-Augusta)
- Delegate Scott Garrett (R-Lynchburg)
- Delegate Mark Sickles (D-Fairfax)



Senate Finance Committee

#### • Health and Human Resources Subcommittee:

- Senator Emmett Hanger (R-Augusta)
- Senator Janet Howell (D-Fairfax)
- Senator Tommy Norment (R-James City)
- Senator Steve Newman (R-Lynchburg)
- Senator George Barker (D-Fairfax)
- Senator Siobhan Dunnavant (R-Henrico)
- Senator Richard Stuart (R-King George)
- Senator Rosalyn Dance (D-Petersburg)

#### • Education Subcommittee:

- Senator Tommy Norment (R-James City) [Higher Education]
- Senator Steve Newman (R-Lynchburg) [K-12 Education]
- Senator Janet D. Howell (D-Fairfax)
- Senator Dick Saslaw (D-Fairfax)
- Senator Emmett Hanger (R-Augusta)
- Senator Frank Ruff (R-Mecklenburg)
- Senator Siobhan Dunnavant (R-Henrico)
  - Senator Richard Stuart (R-King George)



House Appropriations Committee

#### • Health and Human Resources Subcommittee:

- Delegate Scott Garrett (R-Lynchburg)
- Delegate Riley Ingram (R-Hopewell)
- Delegate Steve Landes (R-Augusta)
- Delegate Chris Stolle (R-Virginia Beach)
- Delegate Todd Pillion (R-Abingdon)
- Delegate Mark Sickles (D-Fairfax)
- Delegate Matthew James (D-Portsmouth)
- Delegate Lashrecse Aird (D-Petersburg)

#### • Elementary and Secondary Education Subcommittee:

- Delegate Chris Peace (R-Hanover)
- Delegate Steve Landes (R-Augusta)
- Delegate Barry Knight (R-Virginia Beach)
- Delegate Nick Rush (R-Christiansburg)
- Delegate Todd Pillion (R-Abingdon)
- Delegate Delores McQuinn (D-Richmond)
- Delegate Lashrecse Aird (D-Petersburg)
- Delegate John Bell (D-Loudoun)



Joint Legislative Audit and Review Commission (JLARC)

#### • House Members:

- Delegate Steve Landes (R-Augusta), Vice Chairman
- Speaker Kirk Cox (R-Colonial Heights)
- Delegate Terry Austin (R-Buchanan)
- Delegate Betsy Carr (D-Richmond)
- Delegate Charniele Herring (D-Alexandria)
- Delegate Chris Jones (R-Suffolk)
- Delegate Bobby Orrock (R-Caroline)
- Delegate Ken Plum (D-Reston)
- Delegate Chris Stolle (R-Virginia Beach)

#### • Senate Members:

- Senator Tommy Norment (R-James City County), Chairman
- Senator Emmitt Hanger (R-Augusta)
- Senator Janet Howell (D-Fairfax)
- Senator Ryan McDougle (R-Hanover)
- Senator Frank Ruff (R-Mecklenburg)



- Reactivate / Recharge Government Affairs Committee / Leverage Member Resources
- Publish and Disseminate VCOPPA 2019 Legislative Agenda
- Review / Respond to Outcomes Workgroup Report
- Contact / Visit Legislators / State Officials as Necessary
- Monitoring / Continued Participation in Ongoing Workgroups, Studies, Initiatives
- Develop Rapid Response Plan for 2019 General Assembly
- Regular Communications with Grass Roots / Activate as Needed

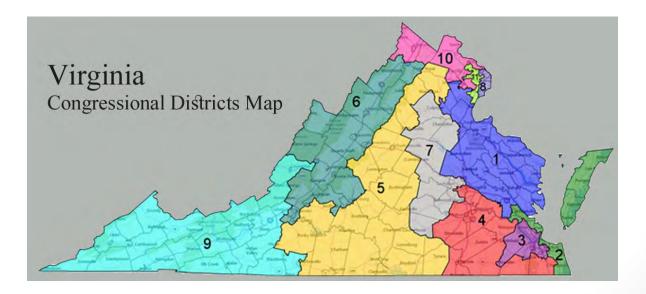




Pre-Election Virginia Congressional Seats (\*Open Seats)

- 7 Republicans (Districts 1, 2, 5\*, 6\*, 7, 9, 10)
- 4 Democrats (Districts 3, 4, 8, 11)

Outlook: D + 1-3



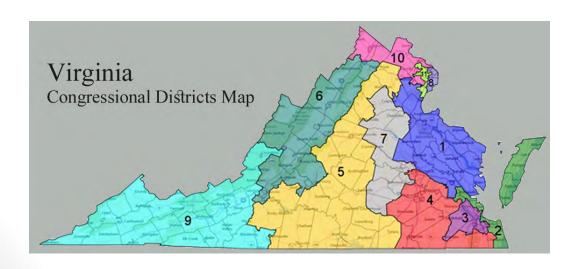




2018 Election Results Virginia Congressional Seats

- 4 Republicans (Districts 1, 5\*, 6\*, 9)
- 7 Democrats (Districts 2, 3, 4, 7, 8, 10, 11)

Result: D + 3









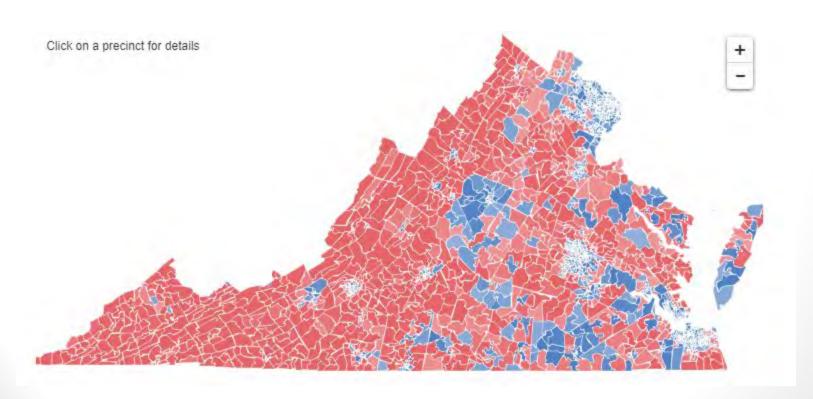








2018 Election Results Virginia U. S. Senate, by Precinct – Who Won?







2018 Election Results Virginia U. S. Senate

- 2 Democrats (no change)
  - Tim Kaine (D) 56.8% Corey Stewart (R) 41.2%





Mark Warner Seat (D) – Next Election 2022

4





## Virginia is Purple...and turning Blue

2000 President: **Bush** (R) 52.5%

2000 Senate: Allen (R) 52.3%

2001 Governor: Warner (D) 52.2%

2004 President: **Bush** (R) 53.7%

2005 Governor: Kaine (D) 51.8%

2006 Senate: Webb (D) 49.6%

2008 President: **Obama** (D) 52.6%

2008 Senate: Warner (D) 65%

2009 Governor: McDonnell (R) 58.6%

2012 President: **Obama** (D) 51.2%

2012 Senate: Kaine (D) 53%

2013 Governor: McAuliffe (D) 47.7%

2014 Senate: Warner (D) 49.1%

2016 President: Clinton (D) 49.8%

2017 Governor: Northam (D) 53.9% (+9%)





2018 Election Results National Races — U. S. Senate

- Pre-Election: 51 Republicans, 49 Democrats\*
- 2018 Mid-Term Results: 53 Republicans, 45 Democrats\*
  - Republicans currently +2
  - Montana (D-Incumbent) too close to call
  - O Mississippi special (R-Incumbent), run-off





2018 Election Results National Races — U. S. House of Representatives

- Pre-Election: 240 Republicans, 195 Democrats
- 2018 Mid Term Results: 220 Democrats, 194 Republicans
  - Democrats +25
  - o 21 Races Uncalled (8 D's, 13 R's leading)





#### Preview of 2019 Virginia General Assembly Elections

- House of Delegates (All 100 seats up for election)
- Before and After 2017 Election
  - Republicans:  $66 \rightarrow 51 (-15)$
  - Democrats:  $34 \rightarrow 49 (+15)$ 
    - 2019 New redrawn court ordered House districts
- Senate of Virginia (All 40 seats up for election)
- Last Elected in 2015
  - Republicans 21
  - Democrats 19
    - Outlook: D's attempt to gain both houses, with D Governor  $\rightarrow$  Control of next redistricting in 2021





#### Preview of 2021 Governor's Elections









Fairfax

Herring

Stoney

McClellan

#### 2021 Democratic Contenders for Governor:

- Lieutenant Governor Justin Fairfax
- Attorney General Mark Herring
- Richmond Mayor Levar Stoney
- Virginia State Senator Jennifer McClellan





#### Preview of 2021 Governor's Elections



Wittman



Taylor



Comstock

#### 2021 Republican Contenders for Governor:

- Congressman Rob Wittman
- Congressman Scott Taylor
- Congresswoman Barbara Comstock





# Preview of 2019 General Assembly







# Preview 2019 Legislative / Budget Issues

- 2018-20 Budget Preview:
  - Overall State Fiscal Health Remains Sound
  - ACA Repeal/Reform or Not Midterms?
  - Medicaid Expansion Implementation
- Other 2019 Legislative Issues
  - Redistricting/Voting Reform
  - Mental Health/State Facilities Overcrowding
  - Education Funding (incl. CSA)
  - Workforce Development





# MEDICAID EXPANSION: WHAT PROVIDERS NEED TO KNOW







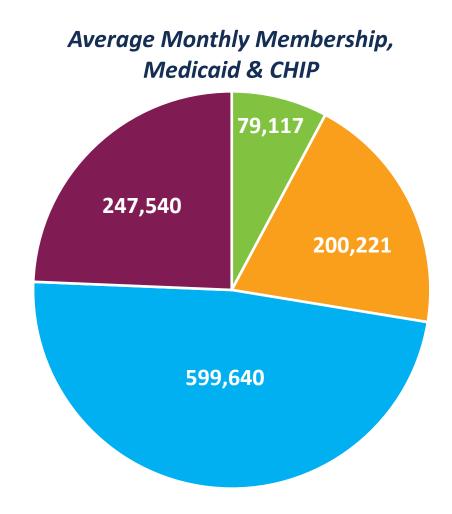
ANN FOLK BEVAN, DIRECTOR-DDBH DEPARTMENT OF MEDICAL ASSISTANCE SERVICES



## Who Medicaid Serves Now

#### **Populations Covered in Virginia - SFY 2017**

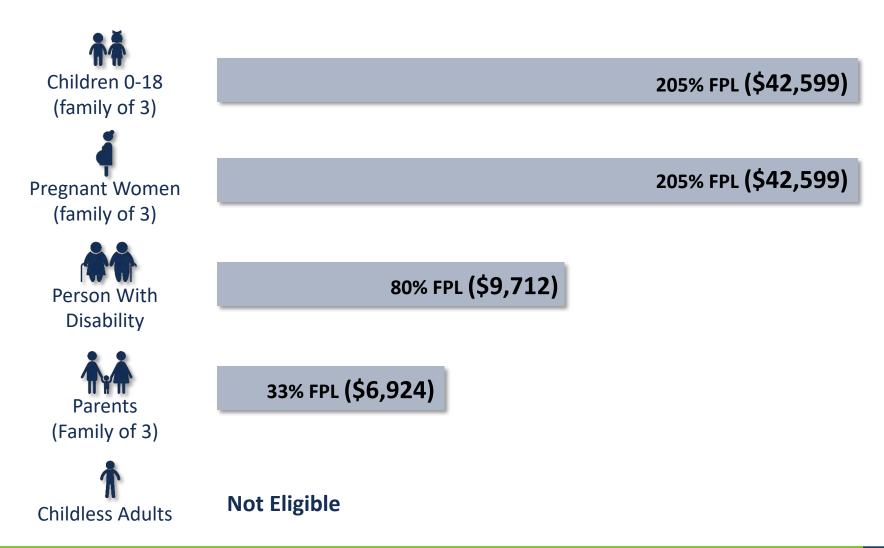




Medicaid and CHIP touched the lives of over 1.6 million Virginians in SFY 2017

# Who Qualifies for Virginia Medicaid Now?

#### Not all low-income Virginians are eligible





# Who Qualifies for Virginia Medicaid Under Expansion?

#### Medicaid expansion will provide quality, low-cost coverage to up to 400,000 Virginians

- Adults ages 19 64, not Medicare eligible
- Income from 0% to 138% Federal Poverty Level





# Who is Eligible?

#### **Income Eligibility Guidelines**

Adults may be eligible if they make less than:

FAMILY SIZE	MONTHLY	YEARLY
<b>†</b>	\$1,397	\$16,754
<b>↑</b> ↑	\$1,894	\$22,715
† † † <b>*</b>	\$2,391	\$28,677
* * * *	\$2,887	\$34,638
<b>ተ</b> ተ ተ ተ ተ	\$3,384	\$40,600
* * * * * * *	\$3,881	\$46,562
<b>ተ</b> ተ ተ ተ ተ ተ ተ ተ ተ ተ ተ ተ ተ ተ ተ ተ ተ ተ ተ	\$4,378	\$52,523
*****	\$4,875	\$58,485
Each additional person add	\$497	\$5,962

# Overview of Medicaid Expansion: Covering More Low-Income Virginia Adults

- The rules have changed. More Virginians will be eligible for coverage beginning January 1, 2019.
  - Many have applied for Medicaid in the past, but were denied
- Up to 400,000 more Virginia adults will enroll in quality, low-cost health coverage
- People working in retail, construction, childcare, landscaping, food service or other jobs that do not offer health insurance may be eligible





# **New Adult Coverage Uses Current Health Plans**

Coverage will be provided for most individuals through the Medallion 4.0 and Commonwealth Coordinated Care Plus (CCC Plus) managed care programs



Aetna Better Health® of Virginia











Medicaid's six current health plans will serve the new adult members



#### What Services are Covered?

# New enrollees will receive coverage for all Medicaid covered services including evidence-based, preventive services

- Doctor, hospital and emergency services, including primary and specialty care
- Prescription drugs
- Laboratory and X-ray services
- Maternity and newborn care
- Home health services
- Behavioral health services, including addiction & recovery treatment services
- Rehabilitative services, including physical, occupational and speech therapies
- Family planning services
- Medical equipment and supplies
- Preventive and wellness services, including annual wellness exams, immunizations, smoking cessation and nutritional counseling
- Transportation to Medicaid-covered services when no alternatives are available
- And more



# "Medically Complex" Enrollees

"Medically Complex" includes individuals with a complex behavioral or medical condition and functional impairment, which may be established by:



#### **Application Question**

Applicant responds to a "Yes/No" question at time of the initial Medicaid application.

If Applicant marks "Yes," then the member will receive a screening to validate.

#### **Question on the Medicaid Application:**

9. Do you need help with everyday things like bathing, dressing, walking or using the bathroom to live safely in your home? Or Has a doctor or nurse told you that you have a physical disability or long term disease, mental or emotional illness, or addiction problem? Yes No

"Medically Complex" members will be enrolled in the CCC Plus managed care program, which will provide enhanced care coordination services

## **New Adult Coverage: Early and Future Initiatives**

The 2018 Appropriations Act directs Virginia Medicaid to implement new coverage for adults and transform coverage

# Beginning January 1, 2019: Implement New Adult Coverage And Other Policy Initiatives

#### Beginning January 1, 2019 -

✓ New coverage for adults with incomes up to 138% FPL

#### **Key initiatives include:**

- ✓ Health and Wellness Incentives
- ✓ Referrals to Workforce Resources
- ✓ Appropriate Utilization of ER Services

#### **Future Initiatives in Development:**

(These initiatives require federal approval of a § 1115 Demonstration Waiver)

# Future initiatives in development for certain individuals:

- ☐ Health and Wellness Accounts
- ☐ Cost-sharing including copayments
- ☐ Training, Enrollment, Education, Employment and Opportunity Program (TEEOP)
- ☐ Supportive Employment and Housing Benefit

New adult coverage begins January 1, 2019, while future initiatives are still in development



# **Cover Virginia Website:**New Adult Coverage Webpage



Hall Park 1-855-242-8282

#### Virginia's New Health Coverage for Adults

Beginning January 1, 2019, more adults in Virginia will have access to quality, low-cost health insurance. Thousands of Virginians aged 19-64 will soon be able to get the health care they need so they don't have to worry about getting sick or having an accident.

#### Who Qualifies for Virginia Medicaid?

Not Eligible with annual income at or below \$16.754

Eligible with annual income at or below \$28.677

You may be eligible if you make less than:

Family Size	Yearly*	Monthly*	
1	\$16,754	\$1,397	
2	\$22,715	\$1,894	
3	\$28,677	\$2,391	
4	\$34,638	\$2,887	
5	\$40,800	\$3,384	
6	\$46,582	\$3,881	
7	\$52,523	\$4,378	
8	\$58,485	\$4,875	

Do you qualify for health benefits? Check out the Eligibility Screening Tool to see if you may be eligible.\*

Currently:

Beginning 2019:



\*This tool is only for the purpose of estimating eligibility. Actual eligibility cannot be determined until the time when you apply.

#### HELPFUL INFORMATION









Frequently Asked Questions (Spanish)

Coverage for Adults Brochure (Spanish)

Coverage for Adults Poster (Spanish)

Coverage for Adults One-Pager (Spanish)

#### RESOURCES FOR ADVOCATES

Please visit the Advocates page for helpful resources that can assist you with outreach.

Some adults may already be eligible for other Medicaid programs that offer limited benefits. Visit the Eligibility page to see if you qualify. If you do qualify for a limited benefit program now, you may still be eligible for the new Medicaid coverage with full benefits that begins on January 1, 2019.





# COMMON CORE FORMULARY (CCF)



### What is the "Common Core" Formulary

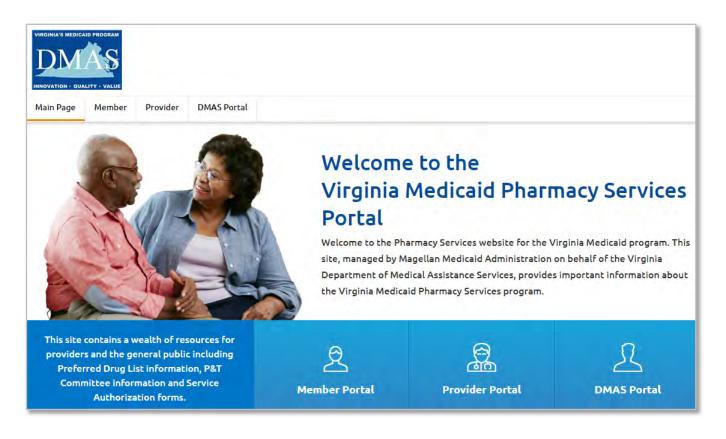
- The Common Core Formulary (CCF) is a list of "preferred" drugs on DMAS' Preferred Drug List (PDL)
- ALL Medicaid health plans are required to cover all drugs on the CCF
  - The CCF includes 90 common drug classes
  - Some drugs are not on the CCF and health plans will decide which drugs to include on their formularies
    - For example, drugs used to treat HIV, hemophilia & cancer are <u>not</u> on the CCF
  - Health plans cannot require <u>additional</u> prior authorizations (PAs) or added restrictions on CCF drugs

Advantages for providers include increased continuity of care for patients and decreased administrative burdens for prescribers



# **Common Core Formulary Resources**

Visit the Common Core Formulary/DMAS PDL link: <a href="https://www.virginiamedicaidpharmacyservices.com/">https://www.virginiamedicaidpharmacyservices.com/</a>



Please email questions regarding the Common Core formulary to <u>commoncoreformulary@dmas.virginia.gov</u>





# ADDICTION AND RECOVERY TREATMENT SERVICES (ARTS) PROGRAM



# Addiction and Recovery Treatment Services (ARTS): Transforming the Delivery System of Medicaid SUD Services

- All ARTS services are covered by managed care plans
- Magellan continues to cover community-based substance use disorder treatment services for fee-for-service members



ARTS creates a fully integrated physical and behavioral health continuum of care

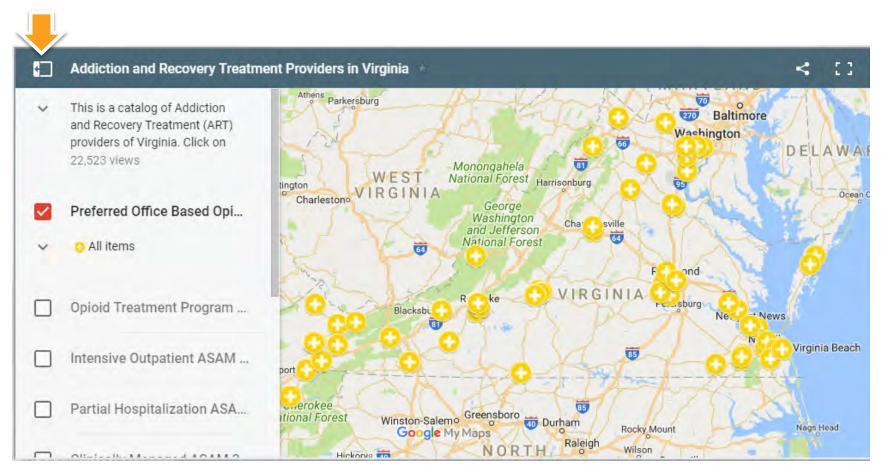
#### **Increases in Addiction Providers Due to ARTS**

#### Over 440 new Addiction Treatment Provider Sites in Medicaid

Addiction Provider Type	# of Providers before ARTS	# of Providers after ARTS	% Increase in Providers
Inpatient Detox (ASAM 4.0)	Unknown	103	NEW
Residential Treatment (ASAM 3.1, 3.3, 3.5, 3.7)	4	94	个 2250%
Partial Hospitalization Program (ASAM 2.5)	0	16	NEW
Intensive Outpatient Program (ASAM 2.1)	49	156	个218%
Opioid Treatment Program	6	40	个 566%
Preferred Office-Based Opioid Treatment Provider	0	91	NEW

#### **ARTS Resources Available on the DMAS ARTS Website**

Visit the DMAS ARTS website to locate providers with Google Maps: <a href="http://www.dmas.virginia.gov/#/arts">http://www.dmas.virginia.gov/#/arts</a>



Please email questions regarding the ARTS program to <u>sud@dmas.virginia.gov</u>



# EMERGENCY DEPARTMENT CARE COORDINATION (EDCC)



## **Emergency Department Care Coordination (EDCC)**

- ✓ **Single, statewide technology solution** that connects all hospital EDs in Virginia, enabling integration with hospitals' electronic health records
- Facilitates real-time communication and collaboration
- Providers and their clinical and care management staff will receive alerts with hospital admissions, discharges, and transfers, and care coordination plans
- ✓ HIPAA-compliant
- ✓ Integration with the Prescription Monitoring Program and the Advance Health Care Directive Registry
- Managed by the Virginia Department of Health



## **ED Care Coordination Implementation**



By June 30, 2018

Phase 1:

<u>ALL</u> emergency departments & Medicaid Managed Care Organizations



Starting July 1, 2018

Providers - primary care, case managers, long-term care, Community Service Boards, Behavioral Health, Federally Qualified Health Centers, specialty care, etc.



**By June 30, 2019** 

Phase 2:

Commercial, Medicare and State Employee Health Plans



#### **ED Care Coordination**

- Medicaid providers will be prioritized for access to the system
- Data will be available for all insured patients, not just those covered by Medicaid
- Collective Medical (EDCC vendor) will need to collect some information from you about best contacts, the scope/size of your practice(s), EHR specifics, etc. They will also need you to sign a legal agreement:
  - E-mail Rachel Fried at <a href="mailto:rfried@connectvirginia.org">rfried@connectvirginia.org</a>
  - Website: <a href="https://connectvirginia.org/">https://connectvirginia.org/</a>



#### SUMMARY AND NEXT STEPS

## **Summary**

- ✓ Up to 400,000 Virginians may qualify for expanded Medicaid coverage, but coverage does not yet mean access to health care...we need you!
- ✓ New reforms, such as Common Core Formulary, will ease administrative burden
- New statewide resources to increase collaboration and address needs of complex patients
  - Addiction and Recovery Treatment Services (ARTS) program
  - Emergency Department Care Coordination (EDCC)

### **Next Steps**

## If you are <u>already</u> accepting Medicaid patients...

- Consider opening your panel to more Medicaid patients
- Inform those who are not currently covered by Medicaid that "the rules have changed" and encourage them to apply
- Consider becoming a Provider
   Champion and presenting on Medicaid
   Expansion in your community

## If you are <u>interested</u> in accepting Medicaid patients...

- ✓ To enroll as a DMAS fee-for-service provider, visit <u>www.virginiamedicaid.dmas.virginia.gov</u> to learn more
- ✓ "Pick Two" or more health plans and join their networks
  - Visit each health plan's website to learn how

### Thank you!

## **MCO Network Contact Information**

Health Plan	Contact for Medallion 4.0 and CCC Plus		
Aetna	Jannette Anderson, 804-527-6402, NetworkDevelopmentVAContact@aetna.com		
Anthem	Jamal Matthews, 1 804-354-2178, <u>Jamal.matthews@anthem.com</u>		
Magellan	Kenya C. Onley, 804-366-6339, KCOnley@magellanhealth.com		
Optima	Annie Beck, 877-865-9075, Option 4, OptimaContract@Sentara.com		
United Health/ INTotal	Contact provider services at:  CCC Plus, 877-843-4366   Medallion 4.0, 844-284-0146  www.providerexpress.com		
Virginia Premier	Medallion 4.0: Phone: 804-819-5151 Angela Woodley, Angela.Woodley@vapremier.com, Ext. 55048 Tammy English, Tammy.English@vapremier.com, Ext. 55817	MLTSS (CCC Plus): Phone: 804-819-5151 John "Huck" Blauvelt, John.Blauvelt@vapremier.com, Ext. 54133 Shannon Wilson, Shannon.Wilson@vapremier.com, Ext. 54132	



## **Evidence Based Practices**

Virginia's Behavioral Health Care Future

## Where are we headed?

- Trauma-Informed Care
- Evidence-Based Practices
- Outcome-focused through value-based care



## Statewide Efforts

- Behavioral Health Redesign
- Systems Transformation Excellence and Performance (STEP-VA) in the public behavioral health system
- Families First Prevention Services Act
- Children's Cabinet-Trauma-Informed Care Work Group

## What are Evidence Based Practices?

"The integration of best research evidence with clinical expertise and patient values."

~The Institute of Medicine 2001 report, *Crossing the Quality Chasm: A New Health System for the 21st Century* 

## Evidence Based Practice Framework

## CEBC's Definition of EBP for Child Welfare

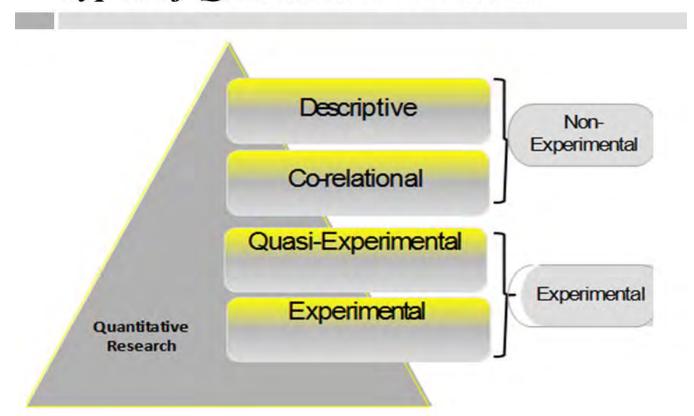


[Based on Institute of Medicine, 2001]



## Types of Research Evidence

#### Types of Quantitative Research



## Scientific Rating Scale

- Well-Supported (Level 1)
- Supported (Level 2)
- Promising (Level 3)
- Evidence Fails to Demonstrate Effect (Level 4)
- Concerning Practice (Level 5)

#### Or

- Model + Program
- Model Program
- Promising Program

## Program Examples



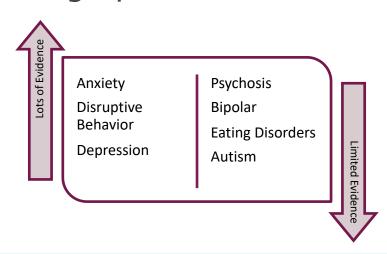






## How much "evidence" do we have?

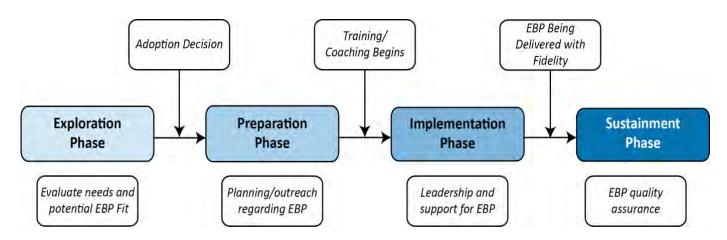
- There are currently over 1000 Randomized Controlled Trials for treatment of youth mental health problems!
- Important consideration:
  - Amount of research evidence varies by problem area and demographic variables



## Implementation Considerations

- ImplementationScience
- Fidelity
- Costs
- Market Analysis

- ▶ EPIS Framework
  - Exploration phase
  - Preparation phase
  - Implementation phase
  - Sustainment phase



www.cebc4cw.org/implmenting-progrmas/tools/epis/

## Critiques of Evidence-Based Practices

#### Going beyond cost...

- Limited to specific populations
  - Not flexible or nimble between populations or with other EBP's
- ▶ EBP's do not solve all programmatic problems
- Some programs have been around longer than others and thus have had more research
- EBTs are not generalizable to the "real world."
- Comprehensive array of EBP's is not possible



## Resources for further consideration

- Selecting and Implementing Evidence-Based Practices: A Guide for Child and Family Serving Systems <a href="http://www.cebc4cw.org/implementing-programs/guide/">http://www.cebc4cw.org/implementing-programs/guide/</a>
- A Blueprint for Embedding Evidence-Based Practices in Child Welfare: https://www.aecf.org/resources/a-blueprint-forembedding-evidence-based-programs-in-child-welfare/

## Other EBP Clearinghouses

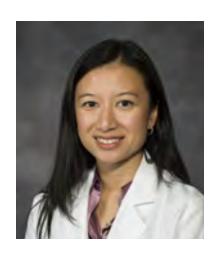
- Blueprints for Healthy Youth Development\* www.blueprintsprograms.com
- California Evidence-Based Clearinghouse (CEBC)\*
   www.cebc4cw.org
- Child Trends' What Works www.childtrends.org/what-works
- Clearinghouse for Military Family Readiness www.militaryfamilies.psu.edu
- Model Programs Guide www.ojjdp.gov/mpg
- Evidence Based Practices for Substance Use Disorders http://adai.uw.edu.ebp/

# BEHAVIORAL HEALTH REDESIGN FOR THE COMMONWEALTH OF VIRGINIA:

# STRENGTHENING OUR CONTINUUM OF MEDICAID MENTAL HEALTH SERVICES







# BEHAVIORAL HEALTH REDESIGN LEADERSHIP



Alexis Aplasca, M.D.

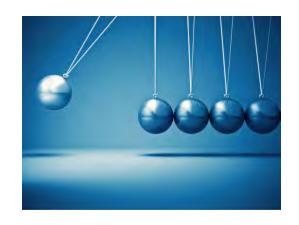
Department of Behavioral Health and Developmental Services

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Department of Medical Assistance Services







# FOUNDATIONAL INITIATIVES & SYSTEMS MOMENTUM

Opportunity for Redesign in our Commonwealth



## Behavioral Health in the Commonwealth of Virginia Opportunity for Redesign



Medicaid is the largest payer of behavioral health services in Virginia



of Medicaid members had either a primary or secondary behavioral health diagnoses

Slide 4

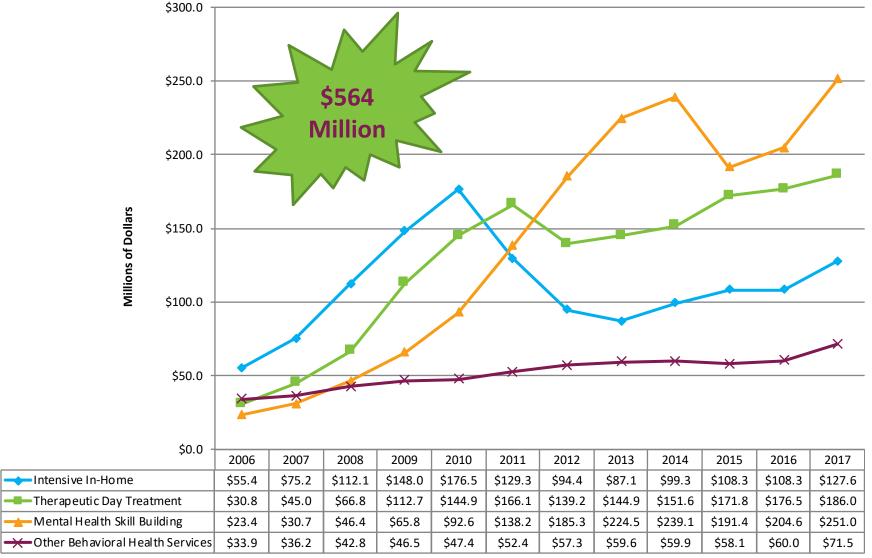
40<sup>th</sup> in the county for overall mental health outcomes

47<sup>th</sup> in the country for children's mental health outcomes

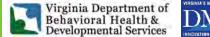




## Medicaid Expenditures on Community-Based **Medicaid Mental Health Services**





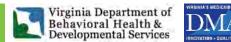


#### **Foundational Initiatives:**

#### Momentum for Redesign

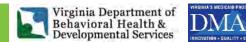
#### STEP Virginia

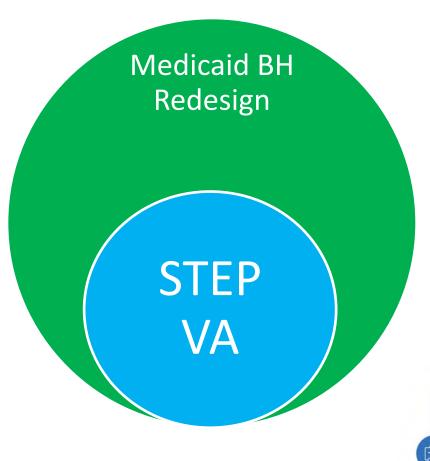
- STEP-VA services will improve access, increase quality, build consistency and strengthen accountability across Virginia's public behavioral health system.
- A strong public behavioral health system provides a necessary foundation



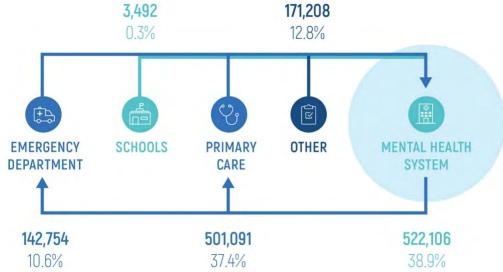
## STEP-VA & Medicaid BH Redesign

- When STEP VA is fully implemented, the public mental health system will have achieved accessibility, consistency, quality and accountability as a necessary foundational support for behavioral health services.
- Medicaid Behavioral Health Redesign will provide the network of support for STEP VA for long term sustainability to ensure access to essential services is met.





- STEP VA meets the essential needs of of individuals through the public mental health system.
- The remaining proportion of mental health needs will be met through the system redesign.
- Both transformative efforts provide and enhance services through the continuum meeting the needs of all populations.



#### **Addiction and Recovery Treatment Services (ARTS)**

Transformation of the Delivery System of Medicaid SUD Services

- Transformed the Medicaid benefit and services using national American Society of Addiction Medicine criteria
- Increased Medicaid reimbursement for evidence-based treatment



ARTS is carved into Managed Care plans to create a fully integrated physical and behavioral health continuum of care

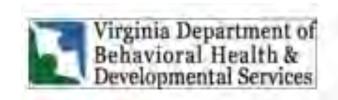
Virginia Department of Behavioral Health & Developmental Services



## Further Momentum for Redesign













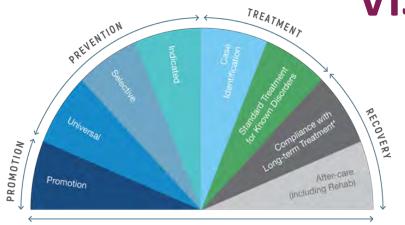




- Family First Prevention Act Implementation
- Governor's Cabinet focus on Trauma Informed Care
- Department of Juvenile Justice Transformation
- **Medicaid Expansion**
- SJ 47 Deeds Commission



#### **VISION AND PARTNERSHIP**



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Implementing the evidence base in community mental health

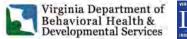




## **Our Vision of Redesign:**

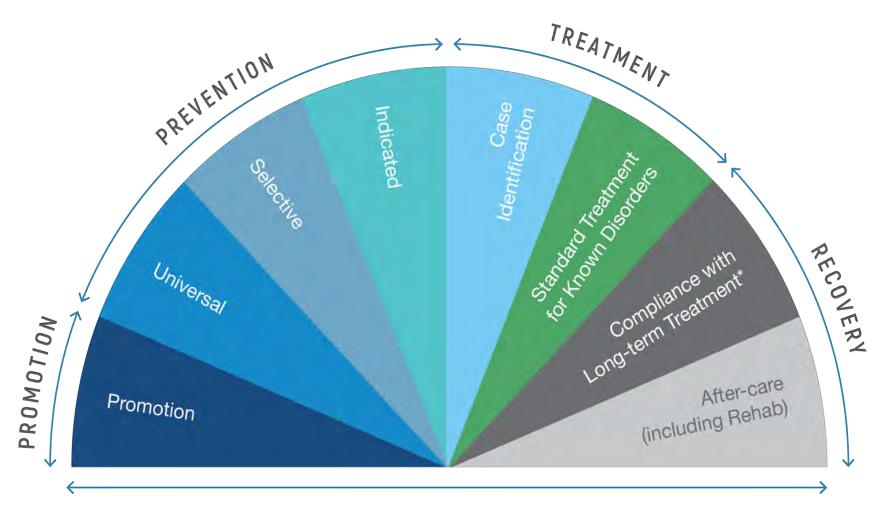
#### A comprehensive spectrum of behavioral health services

- In collaboration with stakeholders' clinical input, our goal is to develop recommendations for a comprehensive system redesign plan for Medicaid behavioral health services
- Our vision for this system:
  - Improved behavioral health outcomes for members
  - A shift in our collective energies
  - Manifestation of trauma-informed principles across member, provider, and system
  - Reflective of the evidence for what works in community mental health
  - Mindful of the evolving needs for members across the lifespan



## **Our Vision of Redesign:**

### A full spectrum of behavioral health services



SAMHSA Continuum of Care; adapted from Institute of Institute of Medicine. *Reducing risks for mental disorders:* Frontiers for preventative intervention research. Washington, DC: National Academies Press.

\*Goal: Reduction in relapse and recurrence







## Farley Health Policy Center: University of Colorado Medical School



Conduct, analyze, and disseminate research to inform policy development and implementation



Provide technical, adaptive, and leadership assistance for integrating care across health and health systems



Convene stakeholders and decision makers to improve health and healthcare together



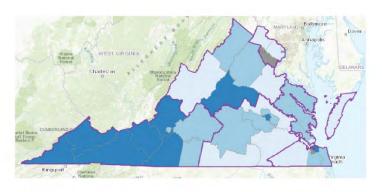
Partner with communities, state and federal agencies, and foundations to catalyze action



Synthesize and apply evidence to policy to bridge the gap between what we know and what we do



## Farley Center's work in Virginia: Key findings





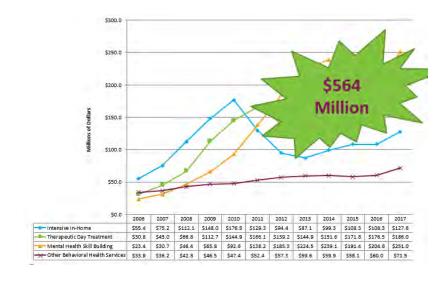
In FY17, 28% of Medicaid members had either primary or secondary behavioral health diagnoses

% of Adults Reporting Poor Mental Health, LHD - 2015

- > 31.6 39
- 10.8 28.6
- > 28.6 31.6
- Not Available



Medicaid members with behavioral health diagnoses had 1.34+ million visits across multiple care settings



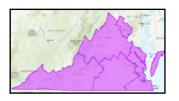




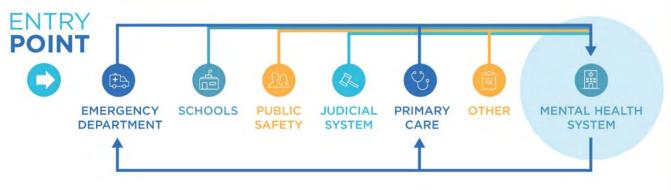
# Farley Center's work in Virginia: Recommendations

- Alignment: regional and agency strategies
- Accountability: connect measures for high quality services to resource allocation
- Access: recognize all points of entry to support a continuum of care from prevention to treatment and recovery











### **Process & Contributions**

- Review best practices for Medicaid mental health services across the lifespan from research literature and state case studies
- Analyze service gaps for the Virginia Medicaid population
- Enlist stakeholders' input throughout process to shape recommendations for a continuum of care and next steps
- 4. Develop recommendations for a continuum of evidence-based, trauma-informed, and preventive-focused Medicaid community mental health services
- Identify individual and population level metrics and quality outcomes
- Assess DBHDS licensing and regulations to ensure quality and accountability





## **Anticipated Outcomes**

### Alignment:

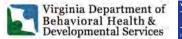
 Recommendations to align Medicaid behavioral health services with DBHDS licenses to create a continuum of evidence-based, trauma-informed, prevention-focused and cost-effective service options for members across the lifespan

### Accountability

 Recommendations on outcome measures that incentivize high quality services in least restrictive environments

#### Access

- Recommendations to expand access through a "no wrong door" approach for members across a full array of services delivered in settings where they naturally present for support.
- Recommendations to expand access to service types and therapeutic interventions that are best practices and wellmatched to members' level of impairment / support need.



## An Example of Filling the Gap: Integrated Physical & Behavioral Health Care

### **Oregon Coordinated Care Organizations**

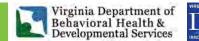
- In 2012, Oregon transformed its Medicaid program through an innovative 1115 waiver with CMS
  - \$1.9 billion up front to reduce spending by 2% without diminished quality
- 6 years into implementation, there are 15 CCOs



Coverage up 65%
Improved access
Improved satisfaction



ED Visits down 22%
Significant reduction in admissions for chronic disease



## **Behavioral Health Redesign Workgroup**

### Stakeholder Categories

- Member Advocacy Groups
- Provider Associations
- Professional Organizations
  - by discipline area
- Managed Care Organizations
- State Agencies









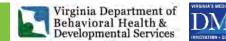






## Purpose of the Workgroup

- To establish a venue for open communication regarding systems redesign
- To strengthen our collective, collaborative partnership as these will be central to the success of redesign
- To share information on our current work and intentions over the coming months

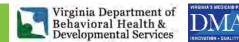


## **Workgroup Progress**

### Meetings and Activities

- October 2<sup>nd</sup>: Initial Meeting and Gaps Activity
- October 23<sup>rd</sup>: Follow Up Meeting and Bright Spots Identification

- Stakeholder Survey Launch Anticipated 11/9/18
- November 27<sup>th</sup>: Preliminary Survey Results
- December: TBD
- Ongoing Implementation Partnership



## Timeline: Preparation for Redesign



September 2018

Drs. Aplasca & Ward begin in their roles



Evidence Review & Service Gap Analysis



Recommendations for Continuum



Develop recommendations for measures and metrics; licensing and regulations



Phased Implementation Begins

Oct-Nov 2018

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December 201

Seek Regulatory Authority for Redesign

Spring 20

Implementation Planning

Workgroup Engagement January 2020

### **Timeline: Stakeholders and Processes**

Listening
Session for
Providers
and MCOs
with Farley
Center Staff

Convene **Behavioral** Health October 2018 Redesign Workgroup



Stakeholder Survey



## **Questions?**

Dr. Alyssa Ward

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Dr. Alexis Aplasca

Alexis.Aplasca@dbhds.Virginia.gov



## Virginia's Budget Choices

## VCOPPA Symposium

Fiscal Analytics, Ltd.

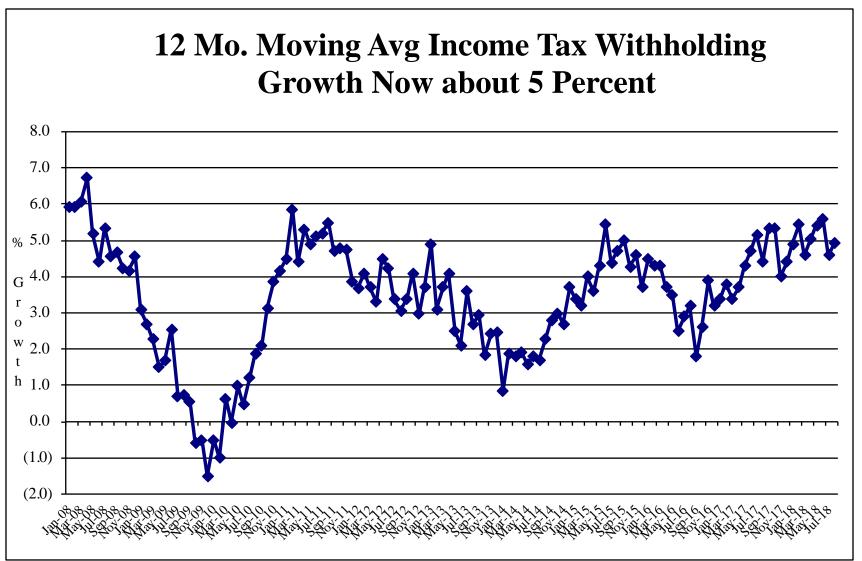
November 7, 2018

## 2018-20 GF Revenues Healthy, But There Are Budget Holes to Fill

- FY 2019 budget only needs 1.4% GF revenue growth. Current growth trends are in the 4 percent range. \$1 bil. or more in additional 2018-20 revenue is possible.
  - Virginia economy improving with increased federal spending particularly in defense.
  - "Collar" on non-withholding revenue growth could reduce appropriated revenues.
- Unfunded 2018-20 state budget mandatory needs are in the \$900 mil. range.
  - Last years' budget expected estimated \$371 mil. in Medicaid expansion savings, but expected managed care savings have not materialized. New Medicaid forecast raised by \$462.5 mil.
  - Additional Medicaid disallowances and deferrals could cost over \$100 m; VITA Northrup Grumman settlement - \$100 m; Micron expansion tax incentives - \$70 m; Hurricane Florence costs; other agency obligations and capital needs.
- The administration and GA prioritized reserving almost all the \$555 million FY 18 surplus to increase liquidity and preserve state AAA debt rating. By FY 2020, over \$1B in state reserves are budgeted, or about 5% of GF revenues.
  - Some policymakers would like to increase reserves to 8-10% of GF revenues.
- Federal tax changes could yield significant new state revenues -if not returned to the taxpayer. Without Virginia tax changes, Federal income tax changes will yield estimated \$600 million in additional state revenue in FY 2019 – growing to over \$900 million in FY 2024.
  - Federal tax reform for individuals expires after FY 2024.
  - Additional sales tax revenue likely from *Wayfair* decision on internet sales, but many large dealers already collecting. One issue - Virginia has to determine how to how to minimize "undue burden".

### Virginia Income Tax Withholding Has Accelerated

(Withholding Tables Have Yet to Be Adjusted for Tax Changes)



# Chances for a Substantial 2018-20 Upward Revenue Re-forecast Are Good

	% of GF	<u>Actual</u> FY 2018	<b>Budget FY 2019</b>	% Change Needed	Budget <u>Forecast</u>
Withholding	63.1%	\$12,540.5	\$12,870.2	2.6%	4.5%
Est Payments/Tax Dues	16.8%	\$3,472.9	\$3,368.3	-3.0%	7.0%
Refunds	<u>-10.1%</u>	<u>-\$1,907.6</u>	-\$2,054.7	<u>7.7%</u>	4.4%
Net Individual Income	69.8%	\$14,105.8	\$14,183.8	0.6%	5.1%
Sales Taxes*	18.0%	\$3,838.4	\$3,934.0	2.5%	2.6%
Corporate Income	4.4%	\$861.9	\$912.0	5.8%	4.3%
Recordation	2.1%	\$394.9	\$407.2	3.1%	0.0%
Insurance Premiums	1.9%	\$337.9	\$376.6	11.5%	4.0%
Total GF Revenues*	100.0%	\$20,509.0	\$20,794.7	1.4%	4.2%

<sup>\*</sup> Includes GF transfers

### Medicaid Preventing Other Priority Spending Growth in GF Appropriations Since FY 2001 (\$ Mil.)

	<u>2001</u>	<u>2019</u>	<u>Growth</u>	Annualized Compound <u>Growth</u>
Medicaid (DMAS)	\$1,384.2	\$4,693.0	239.0%	7.0%
GF Debt Service	\$243.1	\$759.1	212.3%	6.5%
Behavioral Health	\$430.2	\$822.8	91.3%	3.7%
Other H&HS	\$648.9	\$1,131.9	74.4%	3.1%
Direct Aid to K-12 Education	\$3,942.4	\$6,273.1	59.1%	2.6%
Public Safety/Comp Board	\$1,949.1	\$2,705.5	38.8%	1.8%
Higher Education	\$1,634.2	\$2,108.6	29.0%	1.4%
Natural Resources/Forest M	\$152.1	\$175.8	15.6%	0.8%
All Other	<u>\$1,899.4</u>	\$2,320.5	22.2%	1.1%
Total GF Operating	\$12,283.6	\$20,990.3	70.9%	3.0%

Note: Since 2001, the Consumer Price Index has averaged 2.0%.

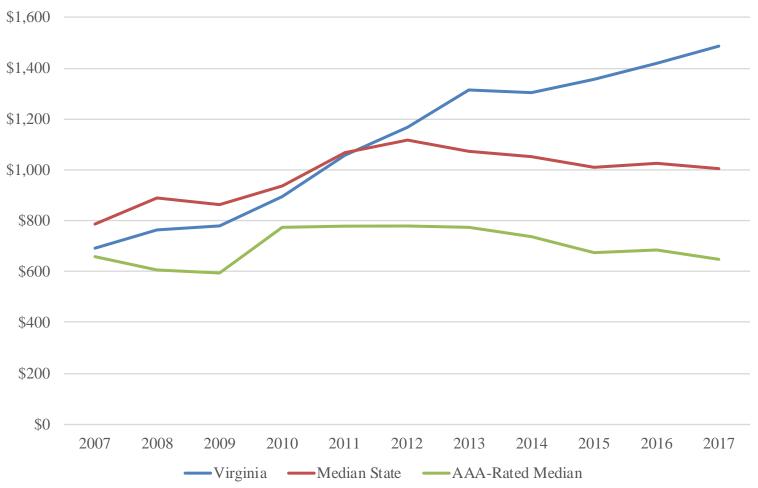
### Medicaid Managed Care Didn't Provide Expected Savings

Fiscal Years	Avg. GF Annual Growth				
2000-2009	8.8%				
2010-2015	6.2%				
2016	9.3%				
2017	7.2%				
2018	5.5%				
2019 Forecast	2.3% 6.2% (7.6% w/o expansion)				
2020 Forecast	<del>3.4%</del> 2.6% (5.6% w/o expansion)				

Note: \$371 mil. in Medicaid expansion savings built into new forecast.

### Virginia Has Limited Capacity for New Debt Authorizations

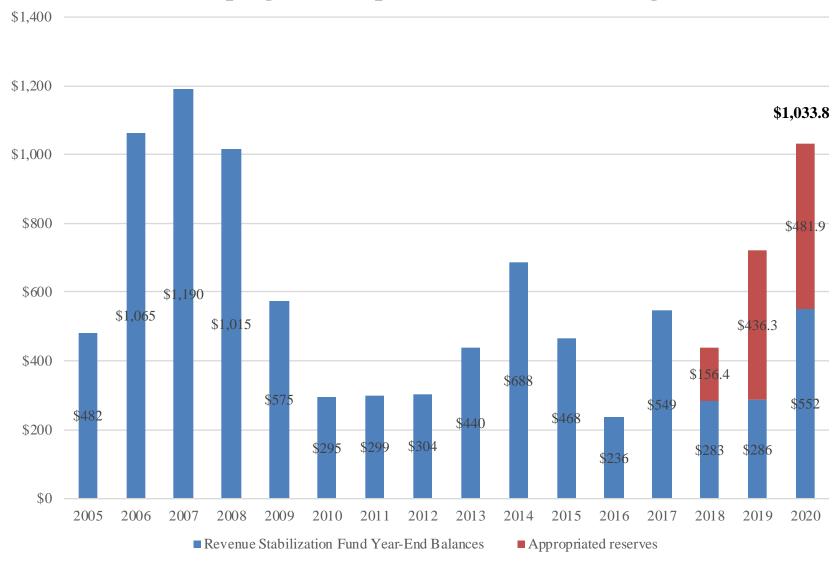




<sup>\*</sup> Additional debt capacity based on self-imposed cap of 5% of GF + transportation revenues. 2017 DCAC model assumed an average of \$580 mil. per year over next 10 years can be issued. About \$5 bil. in authorized but unissued debt already exists.

Source: Virginia Debt Capacity Advisory Committee, Dec. 2017

### By FY 2020 State Reserves Will Total Over \$1 Billion Helping Shore Up our AAA Credit Rating



# Review of Budget Pressures/Options for 2019 Session

- Fund mandatory spending items.
- Increase reserves and liquidity?
- Budget one-time spending (such as capital/VRS) to maintain future flexibility?
- Modify Virginia's tax code and return revenue in response to federal changes?
- Respond to budget pressures by keeping additional revenue—particularly for K12 and mental health?

### 2018 Session Adopted State GF Budget (\$ Mil.)

	GF Budget Accounting (\$ Mil.)						
			Change from FY18		Change fro	m FY19	
	2018 Caboose	FY 2019	<u>\$</u>	<u>%</u>	FY 2020	<u>\$</u>	<u>%</u>
Legislative and Executive	\$119.4	\$129.5	\$10.1	8.5%	\$129.4	-\$0.1	-0.1%
Judicial Dept.	485.6	495.7	\$10.1	2.1%	505.1	\$9.4	1.9%
Administration/Comp Board	714.3	738.0	\$23.7	3.3%	740.2	\$2.2	0.3%
Treasury Board Debt Service	739.5	759.1	\$19.6	2.7%	807.6	\$48.5	6.4%
Other Finance	187.5	184.2	-\$3.3	-1.8%	179.4	-\$4.8	-2.6%
Rainy Day Fund Deposit	-	_	-	-	_	-	-
Car Tax Reimbursement	950.0	950.0	\$0.0	0.0%	950.0	\$0.0	0.0%
Commerce and Trade	203.5	225.7	\$22.2	10.9%	230.1	\$4.4	1.9%
Agriculture / Nat. Resources	163.7	213.4	\$49.7	30.4%	173.8	-\$39.6	-18.6%
K-12 Education/Central Office	6,021.5	6,334.4	\$312.9	5.2%	6,512.6	\$178.2	2.8%
Higher & Other Education	2,015.2	2,109.2	\$94.0	4.7%	2,176.8	\$67.6	3.2%
DMAS Medicaid	4,651.4	4,693.0	\$41.6	0.9%	4,775.5	\$82.5	1.8%
Other Health & Human Services	1,850.6	1,954.7	\$104.1	5.6%	2,046.0	\$91.3	4.7%
Public Safety & Veterans/HS	1,938.0	2,035.8	\$97.8	5.0%	2,041.0	\$5.2	0.3%
Transportation	41.0	41.0	\$0.0	0.0%	41.0	\$0.0	0.0%
Central Appropriations	212.0	81.3	-\$130.7	-61.7%	288.8	\$207.5	255.2%
Cash Reserve	156.4	45.0	-\$111.4	-71.2%	45.0	\$0.0	0.0%
Independent Agencies/Capital	0.3	0.3	<u>\$0.0</u>	<u>NM</u>	0.2	<u>-\$0.1</u>	-33.3%
Total GF Appropriations	\$20,449.9	\$20,990.3	\$540.4	2.6%	\$21,642.5	\$652.2	3.1%
GF Revenues	19,328.2	20,173.7	\$845.5	4.4%	20,976.2	\$802.5	4.0%
Transfers	625.3	621.0	-\$4.3	-0.7%	631.0	\$10.0	1.6%
Rainy Day Fund Withdrawal	272.5	_			_		
Balances for Appropriation	212.2	22.0			(0.5)		
Unappropriated Balance		38.6			2.8		

GF State Aid to Localities (\$ Mil.)						
	FY 2009	FY 2014	FY 2018	FY 2019	FY 2020	
Direct Aid to K-12	\$5,607.6	\$5,240.3	\$5,963.0	\$6,273.1	\$6,451.3	
K-12 % of Total GF Appropriations	35.2%	29.6%	29.2%	29.9%	29.8%	
<b>Health and Human Services</b>	888.4	791.7	951.0	1,003.4	1,034.4	
CSA	299.7	217.2	279.9	298.6	308.5	
Community MH/SA Services	249.4	269.3	350.4	371.0	392.7	
Local Social Services Staff	117.4	115.3	122.1	126.8	128.2	
Community Health Programs	117.6	107.2	117.9	125.5	123.5	
Welfare Services and Programs	104.3	82.7	80.7	81.5	81.5	
<b>Public Safety</b>	734.3	687.9	738.8	758.4	768.2	
Local Sheriffs Offices	406.1	411.3	452.4	464.5	466.1	
Local Police Depts HB 599	197.3	172.4	178.0	184.5	191.7	
Local Jail Per diem	80.1	59.4	61.3	61.7	62.7	
Assistance for Juvenile Justice	50.8	44.8	47.1	47.7	47.7	
<b>Constitutional Officers</b>	155.3	145.8	158.0	161.5	161.5	
<b>Dept. of Accounts Transfers</b>	49.3	49.3	49.6	48.9	48.9	
Car Tax	950.0	950.0	950.0	950.0	950.0	
Aid-to-Locality Reduction	(50.0)					
Total Local GF Aid	\$8,334.9	\$7,865.0	\$8,810.4	\$9,195.3	\$9,414.3	
<b>Total GF Appropriations</b>	\$15,943.0	\$17,705.2	\$20,449.9	\$20,990.3	\$21,642.5	
<b>Local Aid % of Total GF</b>	52.0%	44.1%	43.1%	43.8%	43.5%	

# Real \$ State K-12 Funding Over \$400 per Pupil Less than FY 09 2018 Session State Per Pupil K-12 Direct Aid - All Funds Nominal and Inflation-Adjusted (CPI \$2005)



## State Standards of Quality Do Not Reflect True Costs for Local K-12 Divisions

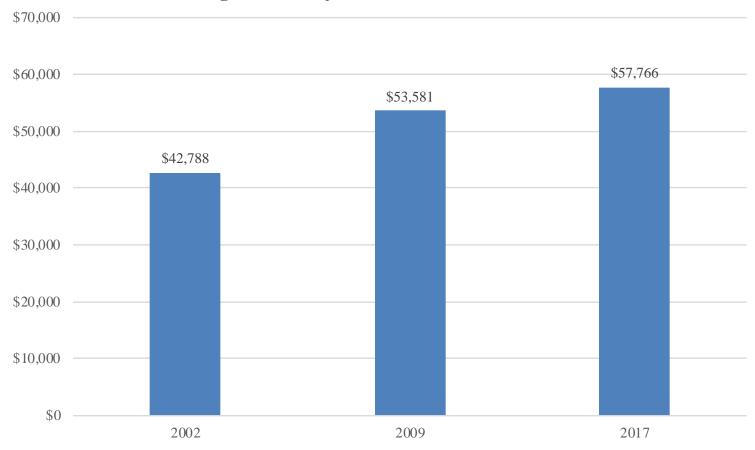
- Only 136,000 out of 200,000 K-12 positions (68 percent) employed by local school divisions are recognized by the SOQ; **support positions capped and costs de-funded in 2010**; the "linear weighted average" methodology underfunds teacher's salaries; real-time costs not reflected in rebenchmarking.
- In 2016, the State Board of Education recommended \$600 mil./yr. in SOQ changes. Raising teacher salaries from 29<sup>th</sup> (*JLARC 2018*) to the national average and funding prevailing support costs would require an additional \$750 million/year.
- Localities on average spent more than double, or \$4.0 bil. beyond state requirements to meet SOL and SOA requirement in FY 17. <u>All</u> 134 local school divisions exceeded Required Local Effort (RLE) in FY 17.

Divisions up to 25% Above RLE	16
Divisions Exceeding 25% to 75%	45
Divisions Exceeding 76% to 100%	30
Divisions Exceeding 100% RLE	43

Source: https://rga.lis.virginia.gov/Published/2018/RD43/PDF

# Instructional Pay Increases Have Slowed Considerably Since FY 2009

**Average VA Salary - All Instructional Positions\*** 



Source: Superintendent's Annual Report.

<sup>\*</sup> All instructional positions include classroom teachers, guidance counselors, librarians, principals, and assistant principals. Note: Average instructional pay would have been \$62,000 in 2017 if grown at the rate of VA wage inflation since FY2009.

### NEA Average Teacher Salaries by State vs Zillow Median Home Value Index

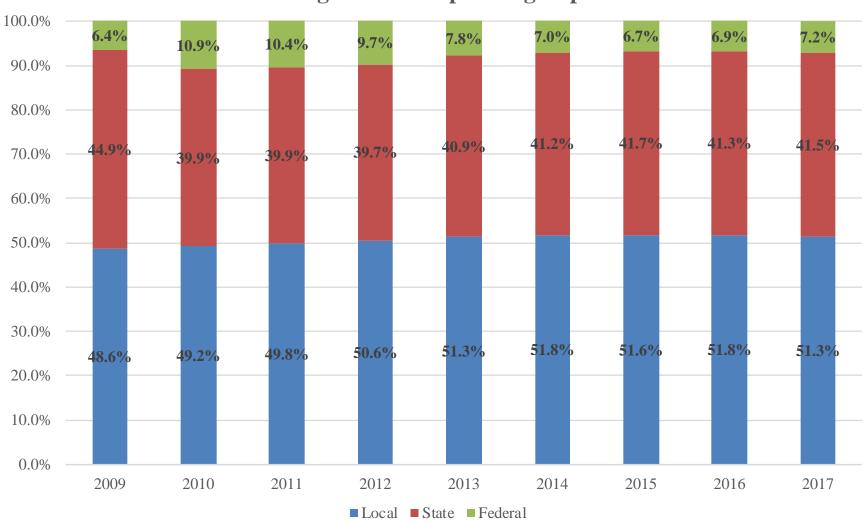
Rank		NEA AVG Teacher Salary - 2016	Rank		Zillow Home Value Index
	<b>United States</b>	\$60,205		<b>United States</b>	\$216,700
1	New York	\$79,767	1	Hawaii	\$615,000
2	Washington D.C.	\$77,623	2	Washington D.C.	\$567,400
3	California	\$77,179	3	California	\$539,400
4	Massachusetts	\$76,981	4	Massachusetts	\$395,300
5	Rhode Island	\$73,631	5	Washington	\$370,700
6	New Jersey	\$73,044	6	Colorado	\$364,600
7	Connecticut	\$72,013	7	Oregon	\$334,100
8	Maryland	\$70,279	8	New Jersey	\$316,500
9	Alaska	\$67,590	9	Utah	\$310,800
10	Pennsylvania	\$67,012	10	Alaska	\$307,600
11	Minnesota	\$66,157	11	Maryland	\$282,500
12	Delaware	\$64,193	12	New York	\$280,000
13	Oregon	\$63,551	13	Nevada	\$275,200
14	Michigan	\$62,028	14	Rhode Island	\$273,500
15	Illinois	\$61,342	15	New Hampshire	\$264,400
16	Nevada	\$60,883	16	Virginia	\$250,700
17	Wyoming	\$60,328	17	Arizona	\$240,300
18	Hawaii	\$59,855	18	Connecticut	\$238,600
19	Vermont	\$58,901	19	Idaho	\$232,400
20	Louisiana	\$58,729	20	Delaware	\$231,200
21	Wisconsin	\$58,485	21	Minnesota	\$225,100
22	Iowa	\$56,995	22	Montana	\$225,100
23	Georgia	\$56,814	23	Florida	\$224,600

24	New Hampshire	\$56,616	24	Maine	\$222,000
25	Washington	\$56,089	25	Wyoming	\$219,800
26	Ohio	\$55,749	26	North Dakota	\$202,100
27	Utah	\$55,316	27	Vermont	\$195,400
28	Texas	\$55,126	28	New Mexico	\$186,600
29	Kentucky	\$54,663	29	Texas	\$185,800
30	Montana	\$54,385	30	South Dakota	\$181,800
31	North Dakota	\$53,678	31	Wisconsin	\$177,700
32	Virginia	\$52,995	32	Georgia	\$175,500
33	Maine	\$52,394	33	Illinois	\$174,300
34	Arkansas	\$51,515	34	North Carolina	\$173,500
35	Nebraska	\$51,514	35	Pennsylvania	\$168,500
36	South Carolina	\$51,508	36	South Carolina	\$158,800
37	Indiana	\$50,715	37	Tennessee	\$158,400
38	Florida	\$50,690	38	Nebraska	\$157,800
39	Alabama	\$50,513	39	Missouri	\$153,000
40	Tennessee	\$50,462	40	Louisiana	\$145,300
41	Missouri	\$50,232	41	Michigan	\$143,100
42	New Mexico	\$49,030	42	Kentucky	\$138,800
43	Idaho	\$48,882	43	Iowa	\$138,500
44	Kansas	\$48,837	44	Kansas	\$134,200
45	West Virginia	\$48,173	45	Indiana	\$133,700
46	North Carolina	\$47,941	46	Ohio	\$132,900
47	Oklahoma	\$47,326	47	Alabama	\$126,600
48	Arizona	\$47,218	48	Mississippi	\$122,500
49	Colorado	\$46,155	49	Arkansas	\$121,800
50	Mississippi	\$44,196	50	Oklahoma	\$119,300
51	South Dakota	\$43,765	51	West Virginia	\$95,300

Hanover County Median Zillow Home Price Index is \$271,900 (rank 15) Hanover FY 2016 teaching position average salary \$51,720 (rank 34)

### **Localities Have Increased Their Share of K-12 Expenditures**

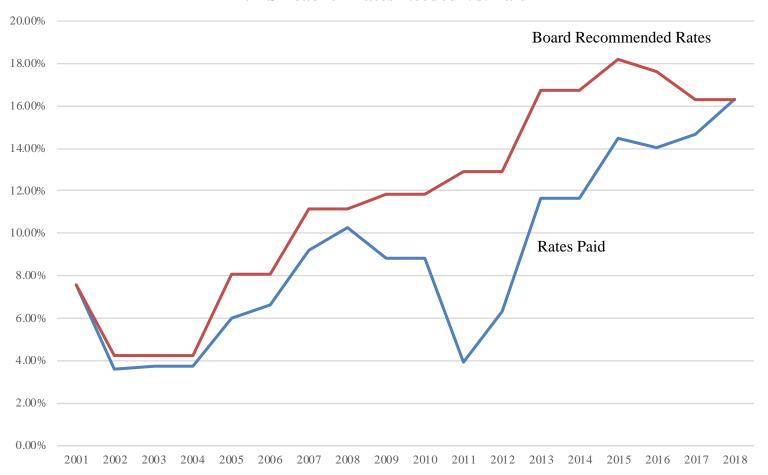




Source: Superintendent's Annual Report, Table 15

### Underfunding VRS Has Caused Higher Current Rates





Note: If required contributions had been paid, teacher rates would be 11.9% versus the current 16.3%, and the funded status would be 86.1% versus 70.6%.

Virginia Public School Construction and Renovation Costs From 2013-2017						
	Number	Cost	Avg. Cost/School	Sq. Feet	Cost/Sq Ft.	
New Elementary Schools	22	\$450,158,034	\$20,461,729	2,094,665	\$215	
New Middle Schools	8	\$273,672,113	\$34,209,014	1,192,914	\$229	
New High Schools	8	\$473,784,482	\$59,223,060	1,515,484	\$313	
New Combined or Other	6	\$235,566,159	\$39,261,027	992,977	\$237	
Additions/Renovations	219	\$1,197,693,347	\$5,468,919	8,494,960	<u>\$141</u>	
Total	263	\$2,630,874,135	\$10,003,324	14,291,000	\$184	

Source: http://www.doe.virginia.gov/support/facility\_construction/school\_construction/costs/

#### K-12 Education Funding Summary and Needs

#### State Actions:

From FY 2001 thru FY 2019 state general fund appropriations for K-12 education have grown at a compound annual rate of 2.6% versus 3.0% growth in total general funds.

- Since FY 2009, the K-12 *appropriation* has dropped from 35.2% of total GF appropriations to 29.9% in FY 2019. In addition, *inflation-adjusted* (2005\$) average per pupil state funding has dropped nine percent from \$4,692 in FY 2009 to \$4,266 in FY 2019.
- From FY 2009 to FY 2017, average instructional pay in Virginia has grown less than the rate of inflation from \$53,581 to \$57,766. If instructional pay had grown at the rate of the consumer price index (CPI), average pay would have been \$62,000 in FY 2017. According to the latest National Education Association salary survey, Virginia ranks 32<sup>nd</sup> in teacher pay, or \$7,210 below the national average. However, if Northern Virginia (PD8) localities are removed from the state average, Virginia would rank among the bottom five states.
- Roughly two-thirds of school division employees (136,000 out of 200,000) are recognized and funded by the state's Standards of Quality (SOQ). Adopting the 2016 state Board of Education SOQ revisions would require about \$600 million per year in additional state appropriations, eliminating the arbitrary support position funding cap set by the state (\$350 mil./yr.), and revising various professional staffing ratios.
- Increasing the state-determined 55 percent share of funding for the current SOQ standards would annually cost the state an additional \$93 mil. per increased percentage point.

#### Local Reactions:

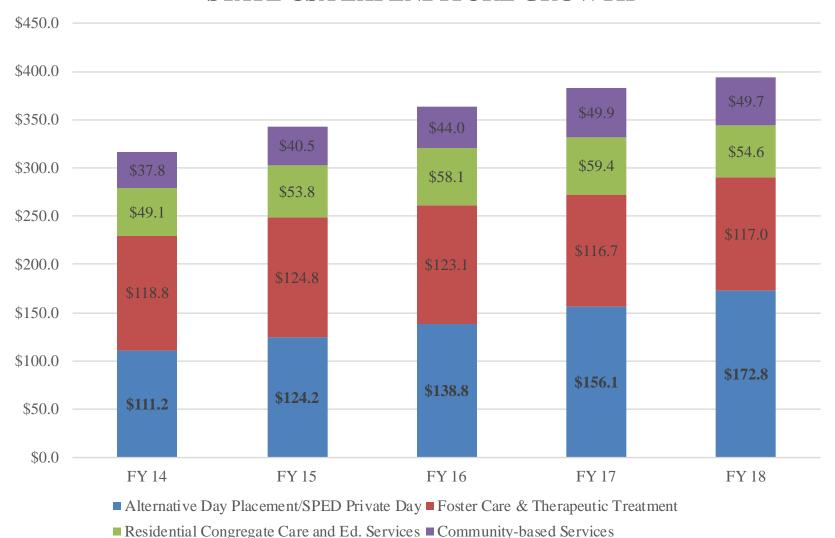
- Most locality revenue sources have not kept pace with inflation and population growth, despite median real property tax rates increasing 17 cents for cities and 12 cents for counties since FY 2009.
- As a result of the slower growth in state K-12 funding, <u>local</u> funding for K-12 operations has increased from 52.0% (FY 2009) to 55.3% (FY 2017) of total state-local expenditures (DOE Superintendents Annual Report).
- Localities also borrowed \$2.6 billion for school construction, additions, and renovations from 2013-17. Direct state grants for capital improvements have not been available since FY 2010. Literary fund loans to school divisions have also been minimal since the recession.

## Other Budget Needs For Localities

- 2018-20 budget increased funding for STEP-VA same day access and CSB primary care screening and began phasing in an expansion of outpatient mental health and substance abuse services and funded an expansion of detoxification services in FY 20 at Community Services Boards and Behavioral Health. However, additional CSB funding is still needed for:
  - ➤ Full implementation of STEP-VA
  - ➤ Mental health needs/jails
  - > Same day access and alternative transportation
  - > Primary care coverage
  - Undocumented individuals not covered by Medicaid
- Rising costs for private day placements in CSA
  - FY 20 budget reflects a two percent rate increase cap on private day special education rates.
- Uncovered Medicaid expansion costs for local social service departments
- Implementation of the Family First Prevention Services Act
- Stormwater Local Assistance Funds
- Inadequate highway and public transportation funding

### **Special Education Day Placement Costs Continue to Grow**

#### STATE CSA EXPENDITURE GROWTH



## Special Education Day Placement Costs

	FY 2014	FY 2017	% Growth
Number Served	2 159	2 217	20.0%
Number Served	3,158	3,817	20.9%
Avg. Annual Cost per Child	\$34,437	\$41,088	19.3%

## Special Education Day Placement Growth

	FY 2014	FY 2018	% Growth
Number Served	3,158	4,101	29.9%
Transcriber ved	3,130	1,101	29.570
Avg. Annual Cost per Child	\$34,437	\$45,118	31.0%

## Thru FY 2017, City Resources Have Not Kept Pace with Inflation/Population Growth

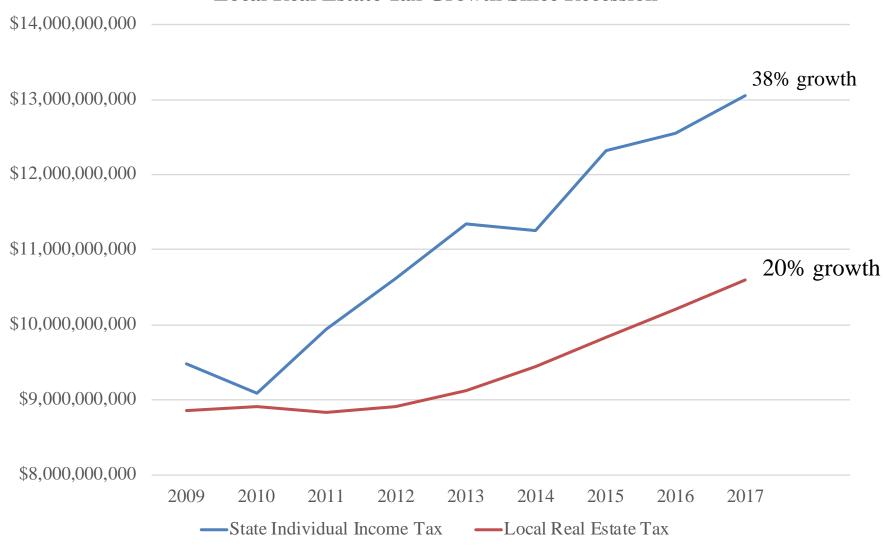
	FY 2009 - FY 2017 Growth Comparison							
	Locally- Generated Revenue		All Revenue for Localities	Population	Population +Inflation			
VA Cities*	15.0%	6.3%	11.3%	3.5%	17.1%			
VA Counties	24.6%	16.2%	21.4%	7.3%	20.9%			

Note: Growth in consumer price index (CPI) from fiscal years 2009-17 = 13.6%

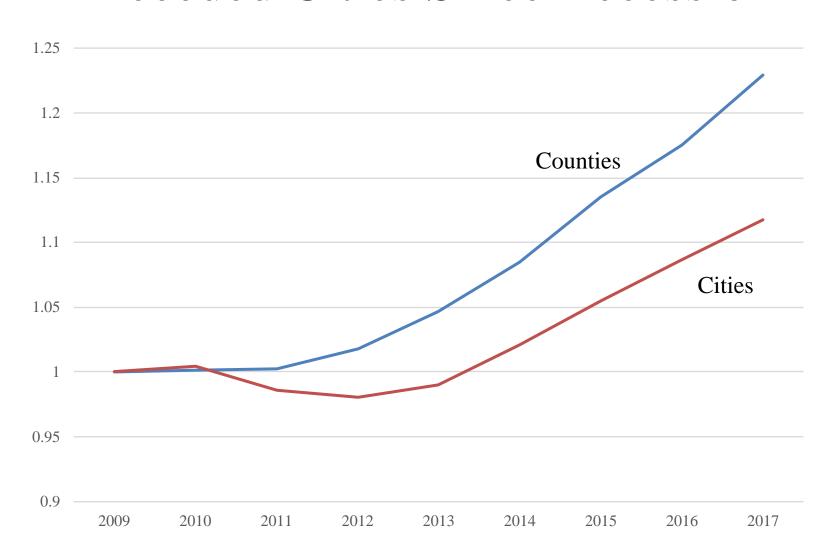
Sources: Virginia Auditor of Public Accounts Comparative Revenue and Expenditure Reports, U.S. Bureau of Labor Statistics, CPI Detailed Report

<sup>\*</sup> Net of Emporia, Hopewell, and Manassas Park City - missing FY 2017 APA data

#### State Income Tax Growth Has Significantly Exceeded Local Real Estate Tax Growth Since Recession



## Real Property Tax Growth in Counties Exceeded Cities Since Recession



## Even Slow Real Property Revenue Growth Has Required Sharply Rising Rates

#### **Median Real Property Tax Rates in Virginia Localities**

	<b>CY 2009</b>	<b>CY 2017</b>	<b>Change</b>
Cities	0.90	1.07	0.17
Counties	0.55	0.67	0.12
Towns	0.18	0.18	-

Note: From FY 2009-17 real property taxes grew 13.3% in cities and 22.8% for counties

Source: Weldon Cooper Center, "Virginia Local Tax Rates", 2009 and 2017

## Despite Local Fiscal Issues, the Burden of the State-Local Fiscal Partnership is on Localities

	2012 JLARC Ranking	2018 JLARC Ranking
Per capita personal income	8	12
Per capita state taxes	34	33
Per capita local taxes	13	16
State Per Pupil Funding	35	40
State and Local Per Pupil Funding	17	24
Average Salary of Public School Teachers	28	29

Source: Virginia Compared to Other States, JLARC, 2012, 2018 Editions

#### Federal Income Tax Policy Changes Offer Chance for Additional Virginia Revenues

- The Tax Cuts and Jobs Act is the most substantial federal tax legislation since 1986.
- Certain provisions, such as rate and bracket changes, have no Virginia impact.
- Many provisions <u>do</u> have a Virginia revenue impact. Individual income tax changes are temporary lasting thru tax year 2024. Business provision changes are permanent. With no changes, Virginia could expect \$600-950 mil. additional revenue per year thru 2024.
- Do not expect a Virginia tax reform special session in 2018. Therefore, tax year 2018 revenue impacts of nearly \$600 mil. will flow to Virginia coffers without ex-post refunds.
- Expect Virginia tax reform to be debated in the 2019 Session.
- Localities may find it <u>harder</u> to raise local property tax <u>rates</u> with the new federal tax law SALT caps on itemized deductions and reduced allowable mortgage interest deduction.

### Federal Tax Cuts and Jobs Act of 2017

Individual Provisions Increasing Revenues:	<b>Business Provisions Increasing Revenues:</b>
Increase in Federal Standard Deduction	Interest Deduction Limitation to 30% of AGI
State and Local Tax Itemized Deduction Cap	NOL Limited to 80% of Taxable Income
Decrease in Mortgage Interest Deduction	New Amortization of Research Expenses in 2022
Limitation on Losses for Noncorporate Taxpayers	Repeals Domestic Production Activities Deduction
	Some Employer Fringe Benefit Deductions Disallowed
	Repeal of Certain Like-Kind Exchanges
<b>Individual Provisions Decreasing Revenues:</b>	<b>Business Provisions Decreasing Revenues:</b>
Medical Expenses Deduction	Increases IRC 179 Expensing to \$1 mil.
Repeal High Income Limit on Itemized Deductions	Simplified accounting rules for small businesses

# Significant Revenues Accrue to Virginia Without Tax Policy Changes (\$Mil.)

By Source:	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
Individual Provisions*	\$532.1	\$443.8	\$466.7	\$492.5	\$520.0	\$546.1
<b>Business Provisions</b>	\$29.4	\$114.6	\$181.5	\$300.3	\$417.2	\$398.2
<b>International Provisions</b>	\$32.6	<u>\$62.7</u>	<u>\$5.5</u>	<u>\$5.8</u>	<u>\$6.0</u>	\$6.3
Total	\$594.2	\$611.1	\$653.7	<b>\$798.6</b>	\$943.2	\$950.6
By Expiration Date:						
Temporary*	\$517.3	\$433.6	\$455.7	\$480.4	\$506.8	\$532.5
Permanent	\$76.9	\$177.5	\$198.0	\$318.3	\$436.4	\$418.1
* Most individual provisions are tem FY 2019 includes tax year 2018 re						

Source: Aubrey Lane Presentation to Combined Money Committee, August 19, 2018

## Relative Share of <u>Federal</u> Tax Liability <u>Decreases</u> for Low/Middle Income from Federal Tax Reform

Change in Federal Income Tax Liability, Virginia Residents (\$ mil.)

	Baseline	% of Total Tax Liability	New Law	% of Total Tax Liability	\$ Change
<b>Under \$25,000</b>	\$ 240.0	0.56%	\$ 211.1	0.54%	(\$28.9)
\$25,000-50,000	\$ 1,510.5	3.52%	\$ 1,259.1	3.23%	(\$251.4)
\$50,000-150,000	\$ 11,943.4	27.81%	\$ 10,013.7	25.70%	(\$1,929.7)
\$150,000-500,000	\$ 16,533.5	38.50%	\$ 15,521.8	39.83%	(\$1,011.7)
	,		,		, , ,
Over \$500,000	\$ 12,718.7	29.62%	\$ 11,960.2	30.69%	(\$758.5)
Totals	\$ 42,946.1	100.00%	\$ 38,965.9	100.00%	(\$3,980.2)

## Relative Share of <u>Virginia</u> Tax Liability <u>Increases</u> for Low/Middle Income Taxpayers

Change in Virginia Income Tax Liability, Virginia Residents (\$ mil.)

	Baseline	% of Total Tax Liability	New Law	% of Total Tax Liability	<b>\$</b> Change
<b>Under \$25,000</b>	\$ 165.5	1.36%	\$ 178.6	1.43%	\$13.1
\$25,000-50,000	\$ 866.9	7.12%	\$ 899.9	7.19%	\$33.0
\$50,000-150,000	\$ 4,453.4	36.55%	\$ 4,602.0	36.76%	\$148.6
\$150,000-500,000	\$ 4,504.8	36.97%	\$ 4,594.9	36.71%	\$90.1
Over \$500,000	\$ 2,193.5	18.00%	\$ 2,242.4	17.91%	\$48.9
Totals	\$ 12,184.1	100.00%	12,517.8	100.00%	\$333.7

# Relative Share of <u>Combined</u> Tax Liability <u>Decreases</u> for Middle Income Taxpayers

Combined Change in Virginia and Federal Income Tax Liability (\$ mil.)

VA Adjusted Gross Income	Baseline	% of Total Tax Liability	New Law	% of Total Tax Liability	\$ Change
Under \$25,000	\$ 405.5	0.74%	\$ 389.7	0.76%	(\$15.8)
\$25,000-50,000	\$ 2,377.4	4.31%	\$ 2,159.1	4.19%	(\$218.3)
\$50,000-150,000	\$ 16,396.9	29.74%	\$ 14,615.7	28.39%	(\$1,781.2)
\$150,000-500,000	\$ 21,038.4	38.16%	\$ 20,116.6	39.07%	(\$921.8)
Over \$500,000	\$ 14,912.0	27.05%	\$ 14,202.7	27.59%	(\$709.3)
Totals	\$ 55,130.2	100.00%	\$ 51,483.8	100.00%	(\$3,646.4)

Note: Derived from Chainbridge Software analysis of combined federal/state impact Secretary Lane presentation to Joint Money Committees, August 19,2018.

## U.S. Supreme Court Decision Could Provide Limited New Internet Sales Tax Revenue

- On June 21, 2018 the U.S. Supreme Court in *South Dakota v. Wayfair* held that states may require out-of-state sellers to collect sales tax, even if the seller does not have a physical presence in the taxing state.
- Did not rule on undue burden aspect of 1992 Quill decision.
  - South Dakota law exempts companies under \$100,000 revenue and less than 200 transactions from collection requirements.
  - Virginia not a member of "Streamlined Sales Tax" project" that requires numerous simplification and uniformity requirements states must adopt to remove or reduce the undue burdens on all sellers.
- In 2017, GAO estimated that in 2017 states lost over \$13 billion in uncollected sales taxes. Basis for \$250 million Virginia estimate.
  - **Amount probably smaller now** since Amazon and other large internet sellers already collect Virginia sales taxes.
- Existing sales tax distribution <u>already</u> favors K-12 and transportation funding.

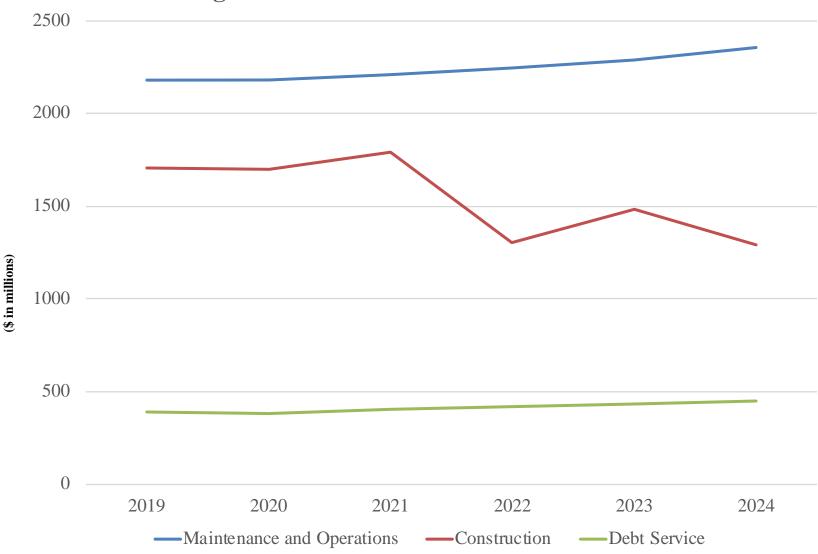
Analysis of Possible VA Additiona	l Internet Sales	Tax Revenue
Est. Additional Taxable Sales Subject to Tax*	\$5,000,000,000	
		% of Total Va
	Rate	<b>Taxable Sales</b>
General Fund Unrestricted (2.025%)	2.025%	\$101,250,000
<b>Direct Public Education (1.375%)</b>		
By School-Age Population (1.125%)	1.125%	\$56,250,000
By SOQ Composite Index (0.25%)	0.250%	\$12,500,000
Transportation (0.9%)		
Highway Maintenance and Operating	0.669%	\$33,425,000
Airports	0.012%	\$600,000
Ports	0.021%	\$1,050,000
Intercity Rail	0.050%	\$2,500,000
Public Transit	0.149%	\$7,425,000
Total State Add'l Annual Sales Tax at 4.3%	4.300%	\$215,000,000
Local Government Add'l Unrestricted	1.000%	\$50,000,000
Regional Transportation 0.7% Sales Tax	0.700%	\$18,157,287
Northern VA (32.4% of state)		\$11,325,874
Hampton Roads (19.5% of state)		\$6,831,413
* Equals 4.7% of \$107 billion in 2017 total VA	taxable sales	

## Summary

- Additional GF revenues are likely for the 2018-20 biennium due to a higher revenue base from the FY 2018 surplus, along with likely continued good economic growth and additional federal defense and other spending.
- Additional unbudgeted expenditures will eat up most if not all of this new revenue.
  - Move to managed care did not deliver the expected savings. Will Medicaid expansion produce the estimated budget savings? Will expansion increase out-year expenditures?
- Federal income tax reform and the U.S. Supreme Court decision in *Wayfair v. South Dakota* will force a debate by policymakers on how much additional revenue should be retained and how much returned to taxpayers.
- The 2009-10 recession took a big bite out of state funding for localities, particularly K-12 funding that has yet to be restored. Other funding needs include CSB, mental health, Medicaid expansion administration, transportation, and stormwater management.
- The state should shoulder more funding responsibility, provide localities with greater revenue generating capacity, and better target stressed localities with state assistance.

## Appendices

#### **Declining Construction Allocations Planned for VDOT**



Source: June 2018 VDOT budget presentation to the CTB

#### SmartScale Allocations Indicate Far Greater Need

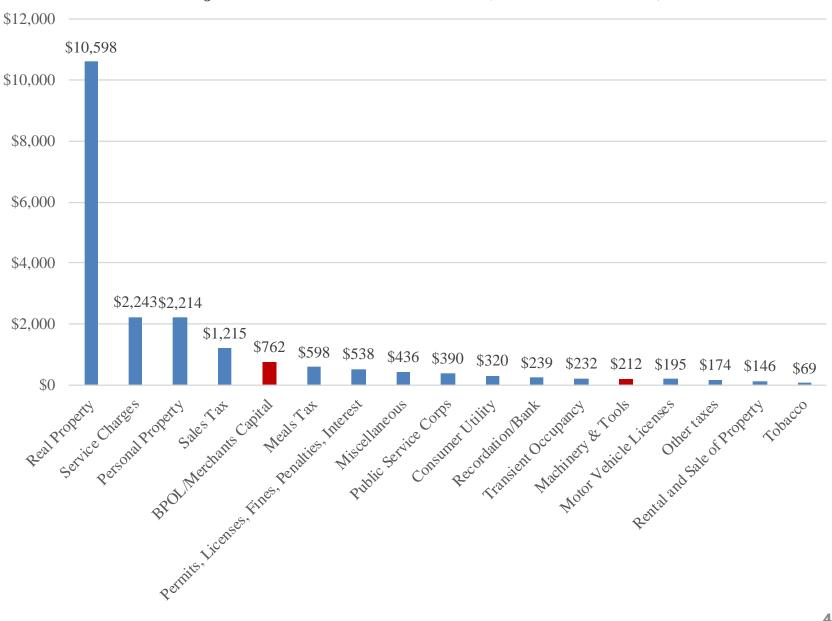
FY 2018 Round	<b>Statewide</b>
Requested Project Costs	\$10,886,155,180
Total Smartscale Funding Requested	\$8,566,240,501
Accepted Project Costs	\$2,350,395,696
Smartscale Funds Allocated	\$1,026,812,430
% Smartscale Request Funded	12.0%

#### **General Assembly Usually Cuts Taxes When Times Are Good**

	Enacted/Amended	FY 2018 \$M est.
Car Tax Reimbursement	1997, 2003	(\$950)
Impose lower 2.5% Sales Tax on Food	2004	(575)
Age Subtraction (net of 2004 means testing)	1994 and 2004	(294)
Low Income Tax Relief, increase filing thresholds, exemptions, etc.	2000, 2004, and 2007	(203)
1/3 Insurance Premiums to Transportation	2007	(162)
Estate Tax Repeal	2009	(140)
100 basis pt Sales Tax Diversion to Transportation	2013	(101)
Land Preservation Tax Credit	2003	(78)
Historic Rehab Tax Credit	1999	(76)
Corp. double weighting sales and single sales factor	1999, 2009	(59)
Sales tax exemption for data centers	2010/2011	(51)
Sales tax exemption for non-prescription drugs	1990	(39)
Subtraction for military wages and unemployment benefits	1999	(37)
Coalfield Employment Tax Credits	2000	(34)
All Other Tax Reductions Since 1999	1990-2017	(121)
State GF Tax Reductions since 1994		(\$2,920)
Add 1/2 percent sales tax on non-food items	2004	\$515
Recordation Tax Increase (net of 3 cents to transp.)	2004/2007	\$150
Tobacco Tax Increase (Va Health Care Fund)	2004	\$146
Close 2 Corp. Tax Loopholes/Eliminate ST Exem for Pub. Svc. Co.	2004	\$143
Sales Tax Presence in Virginia Amazon	2012	\$22
Sales tax on satellite TV equipment	2014	<u>\$10</u>
State Tax Increases since 1994		\$971
Net State Tax Change Since 1994		(\$1,949)

Source: Senate Finance Committee Retreat, Revenue Outlook, Nov. 19, 2015; Va Dept. of Taxation

#### **Major Local Revenue Sources (\$ Mil. - FY 2017)**



### Understanding State Operating Non-General Funds

<b>Non-General Fund Category</b>	Major Examples	FY 2007	FY 2018	% Growth
Higher Ed Operating	Tuition and fees, university hospital revenue, federal funds for Hi ED	\$4,852.8	\$8,249.0	70%
Federal Trust	All federal funds received (e.g. medicaid), except those received by VDOT, VEC, and Hi Ed	\$4,871.6	\$8,395.9	72%
Commonwealth Transportation	Transportation taxes incl. federal \$, excluding tolls	\$3,928.5	\$5,591.8	42%
Trust and Agency	Unemployment insurance, tobacco settlement, lottery and literary funds earmarked to K-12	\$1,083.3	\$2,235.1	106%
Internal Service	DGS leasing office space, VITA providing IT services to other agencies, and DHRM administering state and local government employees' health plans	n/a	\$1,975.2	n/a
Dedicated Special Revenue	VA Health Care Fund, Safe Drinking Water Fund, Game Protection Fund, highway tolls, DMV fees, state park fees, solid waste fees, etc	\$638.2	\$1,900.2	198%
Special revenue	Revenues derived from restricted taxes and other special revenue sources, e.g. state ID health services	\$1,602.6	\$1,781.5	11%
Enterprise	ABC and lottery sales, prepaid tuition 529 plans	\$850.1	\$1,684.2	98%
Other Debt Service	Primarily Hi Ed student fees for dining, housing, athletics	\$234.4	\$337.5	44%
<b>Total Non-General Funds</b>		\$18,061.5	\$32,150.4	78%
General Fund		\$17,033.1	\$20,455.8	20%
Total		\$35,094.6	\$52,606.2	50%



## **Update on the Children's Services Act**

VCOPPA Critical Issues Symposium November 7, 2018



#### **Overview**

- Overall CSA Trends
- Private Day Special Education Outcomes
- Private Day Cost Study
- Residential Providers and CCCA
- Collaborative Efforts
- OCS Training (Live and Learning Center)

## **Overall CSA Trends**

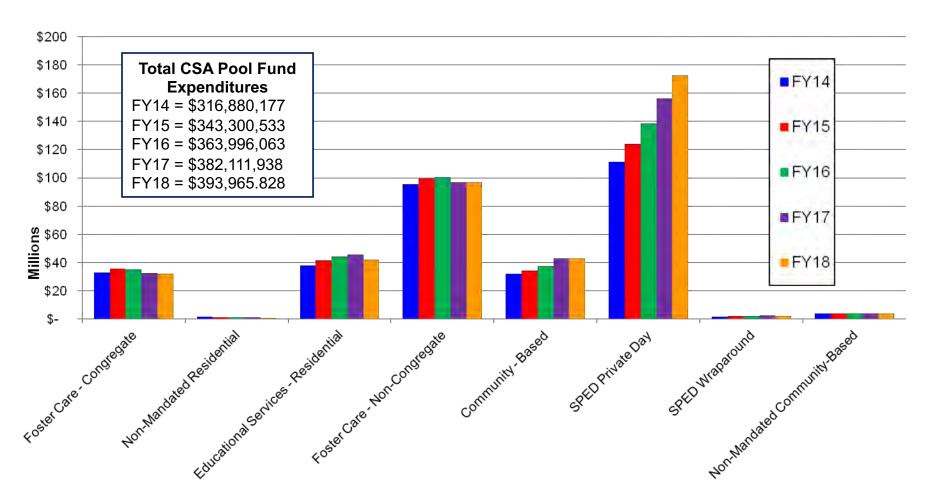


### CSA census has been relatively flat, except...

- Overall census has grown 6.4% between FY2014 and FY2018 (14,792 to 15,744)
- Special Education Private Day census has grown 29.9% in the same period (3,158 to 4,101)
  - In FY2018, accounts for 26% of CSA census and 43.8% of CSA net expenditures
  - All other census categories have been stable since FY2014 and shown a slight overall decline since FY2016



### CSA Expenditures by Category (FY2014 – 2018)



**Source**: CSA Data Set (pre-2017) and Local Expenditure and Data Reimbursement System (LEDRS)





### Chapter 2, Item 282 (O)

• The Office of Children's Services (OCS) shall coordinate with the Virginia Department of Education (VDOE) to facilitate a work group . . . to identify and define outcome measures to assess students' progress in private day placements that may include assessment scores, attendance, graduation rates, transition statistics, and return to the students' home schools.



#### **Process**

- A large and diverse workgroup
  - OCS, VDOE, LEAs, private providers, parents, local government and CSA, other relevant stakeholder groups
- Presentations from VDOE on existing measurements (Special Education Performance Report)
- Presentations from VAISEF on existing data collection efforts
- Discussion and consensus building



#### **Recommended Measures**

- 1. Graduation Rates
- 2. Attendance
- 3. Individual Student Progress
- Standardized Test Scores
- 5. Return to Public School Setting

- 6. Post-Secondary Transition
- 7. Suspension and Expulsion
- 8. Restraint and Seclusion
- 9. Parent Satisfaction
- 10. Student Perspectives



#### **Recommended Measures**

Outcome Measure	Measure	Source
Graduation Rates	Percent of eligible students who receive a GED, certificate of program completion or state recognized diploma in accordance with the student's IEP.	VDOE Special Education Performance Report Indicator 1
Attendance	<ul> <li>a) For students who are placed at a private day school enrolled for longer than 6 months, percent whose attendance increased from their prior placement;</li> <li>b) For students enrolled at the same private day school for a year or more, percent increase in days present until 80% or above;</li> <li>c) For students at a private day school for 6 months or longer, percent who attend 80% or more of the time.</li> </ul>	Attendance data reported by private providers to the Local Educational Agency (LEA)
Individual Student Progress	Modify the existing VDOE Special Education Indicator 7 (Preschool Outcomes) to assess student progress over time in four key domains (communication skills and social functioning; acquisition of knowledge and skills; adaptive behavior; daily living skills and self-reliance)	Modified VDOE Special Education Performance Report Indicator 7
Standardized Test Scores	Statewide assessment outcomes in the following areas: 1. Participation rate for English/reading; 2. Participation rate for math; 3. Proficient rate for English/reading; 4. Proficiency rate for math. 5. Percent of parental "opt-out" for standardized tests	VDOE Special Education Performance Report Indicator 3 with the addition of the parental "opt-out" rate
Return to Public School Setting	Return to the public school setting as directed by the student's IEP.  a) Number and percent of students transitioned to public school setting as determined by their IEP. b) Transitions by program, locality and age level (elementary, middle, high).	Private providers report number of students out of total population who transition to a less restrictive setting with requested data points



**Recommended Measures (cont.)** 

Outcome Measure	Measure	Source
Post-Secondary Transition	Percentage of students with disabilities no longer in secondary school with IEPs in effect at the time they left school who were:  1. Enrolled in higher education within one year of leaving high school  2. Enrolled in higher education or competitively employed within one year of leaving high school.  3. Enrolled in higher education or in some other postsecondary education or training program; or competitively employed or in some other employment within one year of exiting high school.	VDOE Special Education Performance Report Indicator 14
Suspension and Expulsion	Percentage of students expelled or suspended greater than 10 days in a school year.	VDOE Special Education Performance Report Indicator 4
Restraint and Seclusion	Annual number of incidents of: 1) seclusion and 2) restraint	Data reported to VDOE by private providers in accordance with the Regulations Governing the Operation of Private Schools for Students with Disabilities (8VAC20-671)
Parent Satisfaction	Survey parents of students in private day school settings to assess parent satisfaction.	Modified VDOE Special Education Performance Report Indicator 8 – to be developed
Student Perspective	Survey parents of students in private day school settings to assess their views on their educational programs.	To be developed



#### **Considerations and Additional Recommendations**

- Sensitivity to characteristics of private day students and differing perspectives on how their progress should be measured
- Tried to utilize existing measures or those "easily" adaptable from existing measures
  - Additional work needs to be done to finalize definitions
- Establish data collection protocols and reporting mechanisms
  - Recommend DOE as the lead public agency
  - Explore any necessary statutory or regulatory changes
- Pending legislative action, collection should begin with the 2019-2020 school year





## Chapter 2, Item 282 (M)

- OCS to contract for a study on the current rates paid by localities to special education private day programs licensed by VDOE.
  - Examine adequacy of current rates
  - Recommendations for implementing a rate-setting structure
  - Consider the impacts on local school districts, local government, and public and private educational service providers.
- Final report due by July 1, 2019.



### **Cost Study**

- Contracted with Public Consulting Group (PCG)
- Phase 1 includes a national scan on how states fund private special education and rate setting models
  - Preliminary report due December 1
  - Conducted initial stakeholders sessions on October 29 30 to include public schools, local governments, and private providers
- Phase 2 includes collection of costs, analysis and recommendations on a methodology for possible rate setting

#### Residential Providers and CCCA



## Addressing the Needs of Children Placed at the CCCA

- CCCA is the only state-operated facility for children and adolescents under a TDO or civil commitment
  - Some relief from Poplar Spring Hospital
- CCCA has been running at or near full occupancy (48 beds)
- There are a group of children who are appropriate for discharge from CCCA but for whom placements in VA are not readily available
- Meeting with state stakeholders and private providers to explore issues and possible solutions

#### **Collaborative Efforts**



#### "The times they are a changin"

Family First Prevention Services Act

• DMAS/DBHDS Behavioral Health Transformation

DJJ evidence-based practices

Children's Cabinet work on trauma-informed care

#### Other OCS Activities



#### **Expanded Training Efforts**

On-site local events for FAPTs and CPMTs

 On-line courses in the Virginia Learning Center for CPMTs and local CSA fiscal staff

## Overview of DJJ's Service Continuum and Regional Service Coordination (RSC) Service Delivery Model

Presentation to the VCOPPA Critical Issues Symposium

Beth Mohler Stinnett November 8, 2018



#### **DJJ Transformation**



- Safely reducing residential population
- Reforming practices and programming in correctional centers
- Developing alternative settings to correctional centers
- Reinvesting cost-savings in community-based alternatives
- Developing a statewide continuum of services
- Developing and utilizing evidence-based programs and services
- Expanding government to government partnerships
- Adopting evidence-based practices in court service units
- Contracting with regional-based service coordination companies

#### **New Service Delivery Model**



#### Goals:

- Eliminate "Justice By Geography" / Ensure Basic Service-Provision
- Expand the Provider Network
- Increase Providers Across a Continuum of Evidence (innovative → emerging → promising → effective → exemplary)
- Introduce Additional Family-Based Models
- Transfer Service Coordination Responsibilities from DJJ Staff
- Improve Efficiency of Processes
- Increase Capacity to Monitor Compliance and Quality

#### RSC Service Delivery Model



- DJJ launched a new service delivery model on January 1, 2017, to process referrals for portions of a statewide continuum of services.
- No longer contract directly with providers
- Hired two companies to serve as regional service coordinators. AMIkids (AMI) and Evidence Based Associates (EBA)
- Fixed Rate for Service Coordination (separate from services)

AMI: Eastern and Southern Regions

EBA: Northern, Central and Western Regions



#### **RSC Service Delivery Model**



- Request for Proposal (RFP)
- Regional Service Coordination Role Includes:
  - Contracts with a Network of Direct Service Providers
  - Service Coordination and Centralized Referral Processing
  - Centralized Billing and Reporting
  - Service Gap Analysis
  - Implementation of New Services
  - Implementation of Evidence-Based Models
  - Developing and Tracking Performance Measures
  - Conducting Quality Assurance Monitoring of Providers

#### RSC Service Delivery Model: Service Categories



- Community-Based Services Primarily for Youth on Probation / Parole
  - Assessments
  - Case Management
  - Monitoring Services
  - Non-Clinical Services
  - Clinical Services (across a Spectrum of Evidence)
- Residential Services for Committed Youth and Paroled Youth Age 18+
  - Residential Treatment Centers (9) and Group Homes (8)
  - Independent Living
- > than 125 unduplicated providers\*, but evolving from an inclusion model

<sup>\*</sup> Online vendor directories

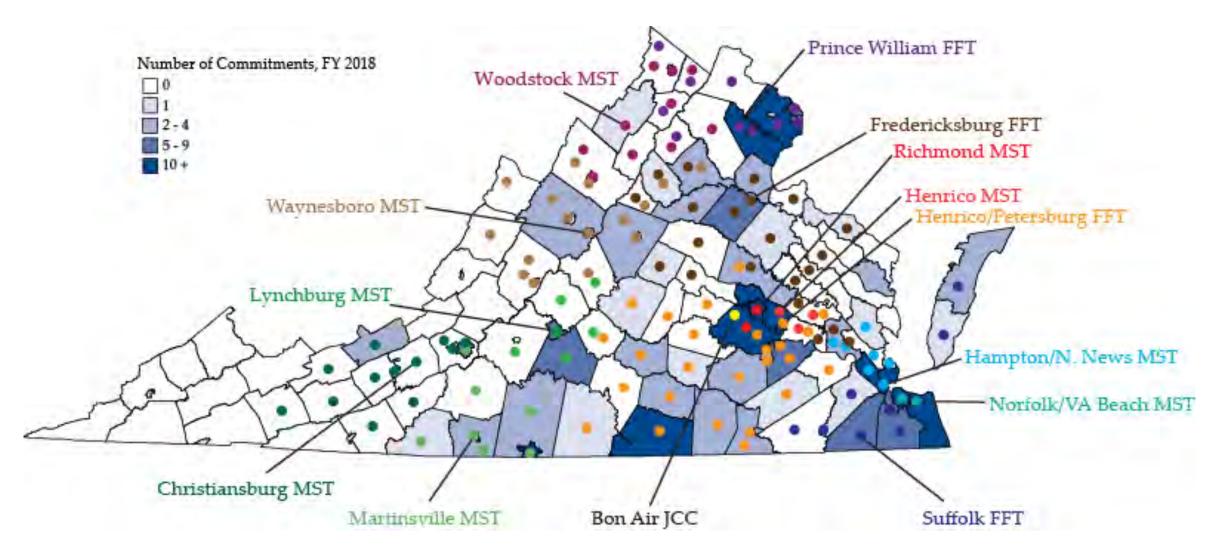
## Introduction of Evidence-Based Models of Family Intervention: MST & FFT



- Prior to October 1, 2017:
  - Multi-Systemic Therapy (MST) was available in only two localities
  - Functional Family Therapy (FFT) was not available in Virginia.
- During the last quarter of CY'17, DJJ launched 10 teams statewide:
  - 6 MST teams / 4 FFT teams (2 existing teams)
  - 5 providers of MST; 4 providers of FFT (include private and public)
  - in addition to DJJ's launch, Horizon CSB relaunched a MST team (#13)
  - reach 112 of 133 localities statewide (each team serves a 90 min catchment area)
  - combined daily capacity when fully staffed is nearly 300 families.
  - variable utilization across teams; statewide utilization about 75%

#### Map of MST and FFT Locations





## Introduction of Other EBPs: High Fidelity Wraparound and TFCBT



- High Fidelity Wraparound, an evidence-based model of intensive care coordination is available in large part as a result of the efforts of the Office of Children's Services (OCS) and the Department of Behavioral Health & Developmental Services (DBHDS)
- Trauma-Focused Cognitive Behavioral Therapy, an evidence-based model of individual therapy, is available in large part as a result of the efforts of the Department of Behavioral Health & Developmental Services (DBHDS)
- HFW and TFCBT now available to DJJ-referred youth on probation and parole in > 72%\* localities statewide.

<sup>\*</sup>indicates one or more credentialed staff member works for a contracted provider and the provider has expressed a wiliness to serve a given city or county.

#### **MST & FFT: The Process**



- RFPs written jointly by DJJ and RSCs and published by RSCs
- RSCs signed contracts with selected providers
- National network partners selected for training and TA (required)
- DJJ allocated 1st year start-up funds for initial training and licensing
- Newly selected providers trained
- Referrals made by DJJ staff and vetted by Regional Service Coordinators

#### MST & FFT Funding and Other Considerations



- Team Concept Required / No Individual MST or FFT Therapists Roughly \$500,000 per team
- DJJ Paid Start-Up Costs to Launch MST FFT Models
   Includes Required National Network Partner, Licensing, Training Fees
   Roughly \$65,000 per team
- Data-Driven Strategic Selection of Catchment Areas / Sustainability

#### MST & FFT Funding and Other Considerations



#### Resource: www.blueprintsprograms.org



#### Potential Adaptations of MST and FFT to research:

- Problem-Sexualized Behavior (MST-PSB)
- Emerging Adult (MST-EA) / Coming Into Adulthood (FFT-CIA)
- Child Welfare (FFT-CW)

#### **Questions / Contact Information**



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Family First Prevention Services Act and Implementation **Updates** 

Carl Ayers
Virginia Coalition of Private Provider
Associations
November 8, 2018



The **vision** for Family First is to keep children safe, strengthen families and reduce the need for foster care whenever it is safe to do so.

- Family First is the largest investment in the child welfare system in nearly 40 years and is an
  extraordinary opportunity to be innovative and responsive to children's and families'
  individual needs.
- Family First supports VDSS's Children's Services Practice Model and overarching mission that kids should grow up in a **safe**, **stable and secure family** that supports their **long-term well-being**.
- Family First recognizes that kids do best in families, and families do best in strong, supportive
  communities. Family First ensures a family first for children and teens with prevention
  services to keep kids safe and families together. Children and teens who cannot safely stay
  at home should live with relatives or close friends. When that is not possible, Family First
  advocates that kids should live with a loving, and supportive foster family
- Beneficiaries of Family First are families with children at imminent risk of entering foster care.

Prevention Services

Target resources and services that prevent foster care placements and help children remain safely in their home.

Family-Based Placements

Ensure children maintain family connections needed for healthy development and emotional well-being while finding safe, permanent homes for children as quickly as possible

**Congregate Care** 

Safely reduce the inappropriate use of congregate care; when congregate care is needed, ensure children are placed in the least restrictive, highest-quality setting appropriate to their individual needs

Evidence-Based Services

Advance the implementation and sustainability of evidence-based, traumainformed services that appropriately and effectively improve child safety, ensure permanency, and promote child and family well-being

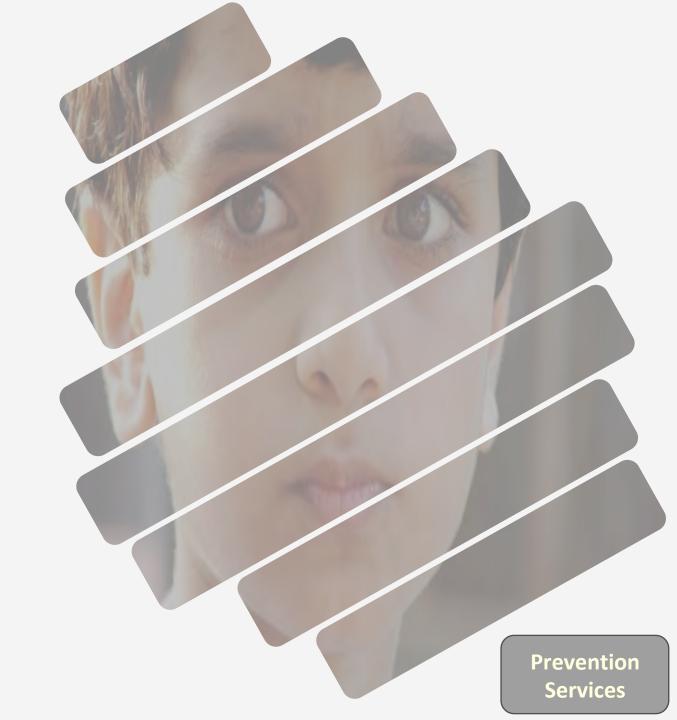
Resources and Financial Accountability

Build capacity and leverage resources to provide effective services to prevent foster care placement while ensuring financial accountability





- A child (and caregivers) who is a candidate for foster care who can remain safely at home or in a kinship home and is identified as being at *imminent risk* of entering foster care
- ❖ A child in foster care who is pregnant or parenting
- A child whose adoption or guardianship arrangement is a risk of a disruption/dissolution and includes post-reunification services



#### IV-E Reimbursable Services

Mental Health
Prevention
Treatment
Services

Substance Abuse
Prevention
Treatment
Services

In-Home Parent Skill-Based Programs

### Trauma Informed

Our mission is to improve the lives of children and families.

# Why are Evidence-Based Services Important? Slide adapted from

Dr. Alyssa Ward, DMAS

to keep their doors open to fulfill the mission.

Evidence based services have demonstrated their effectiveness in helping consumers achieve important outcomes

Strong service outcomes are increasingly important in maintaining funding.

Providing evidence based services will improve the confidence of staff in their service delivery

Evidence-Based Services

#### Well Supported

#### Supported

#### **Promising**

- Improved outcome must be based on the results of at least 2 studies that used a random control or quasi-experimental trial
- Carried out in a usual care or practice setting
- Sustained effect for at least one year beyond the end of treatment

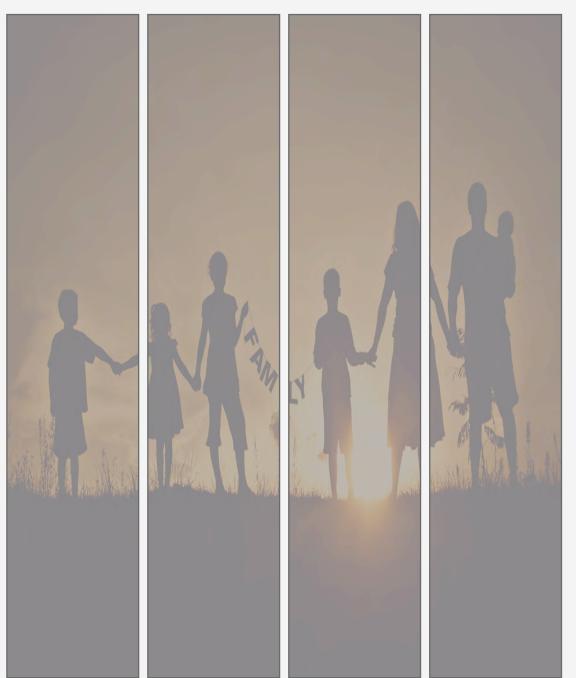
- Improved outcome must be based on the results of at least one study that used a random control or quasiexperimental trial
- Carried out in a usual care of practice setting
- Sustained effect for at least 6 months beyond the end of treatment

 Improved outcomes must be based on at least one study that use some form of control group

> Evidence-Based Services

# Foster Care Program Changes

We believe that children do best when raised in families.



- Family and kinship foster homes
- Placements for pregnant or parenting youth
- Supervised independent living for youth 18+
- Qualified Residential Treatment Programs (QRTP) for youth with treatment needs
- Specialized placements for victims of sex trafficking
- Family-based residential treatment facility for substance abuse

(beginning October 2018)

Family Based Placements

National Model Licensing Standards for Foster Families \$8,000,000 in grants for foster home recruitment

Qualified
Residential
Treatment
Program(QRTP)

Accreditation

Trauma
Informed
Treatment
Model

QRTP Model Facilitates
Outreach to
the Family

Provides
Family-Based
Aftercare
Support for at least 6 months

Registered or Licensing Nursing and Clinical Staff

> Congregate Care

30-day Assessment 60-day Court Review 12-month review by Commissioner

Family and Permanency Team

**QRTP Requirements** 

#### Miscellaneous Changes

## Kinship Navigator Programs



# John H. Chafee Program for Successful Transition to Adulthood (CPSTA).

CPSTA/ILP services are available for young adults up until their 23rd birthday

ETV Services available for young adults up until their 26th birthday

### Family Reunification Services



- \* Removes the time limit on providing reunification services
- Now allows service provision for a period of up to 15 months after reunification

### Family Reunification Services and Activities Include:

- ❖ Individual, group, and family counseling.
- Inpatient, residential, or outpatient substance abuse treatment services.
- Mental health services.
- ❖ Assistance to address domestic violence.
- Services designed to provide temporary childcare and therapeutic services for families, including crisis nurseries.
- Peer-to peer mentoring and support groups for parents and primary caregivers.
- Services and activities designed to facilitate access to and visitation of children by parents and siblings.
- Transportation to and from any of the services and activities described.

#### **Additional Provisions**

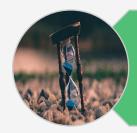
Implementation



We are committed to using data to improve decision making and ensure services provided are informed by outcomes



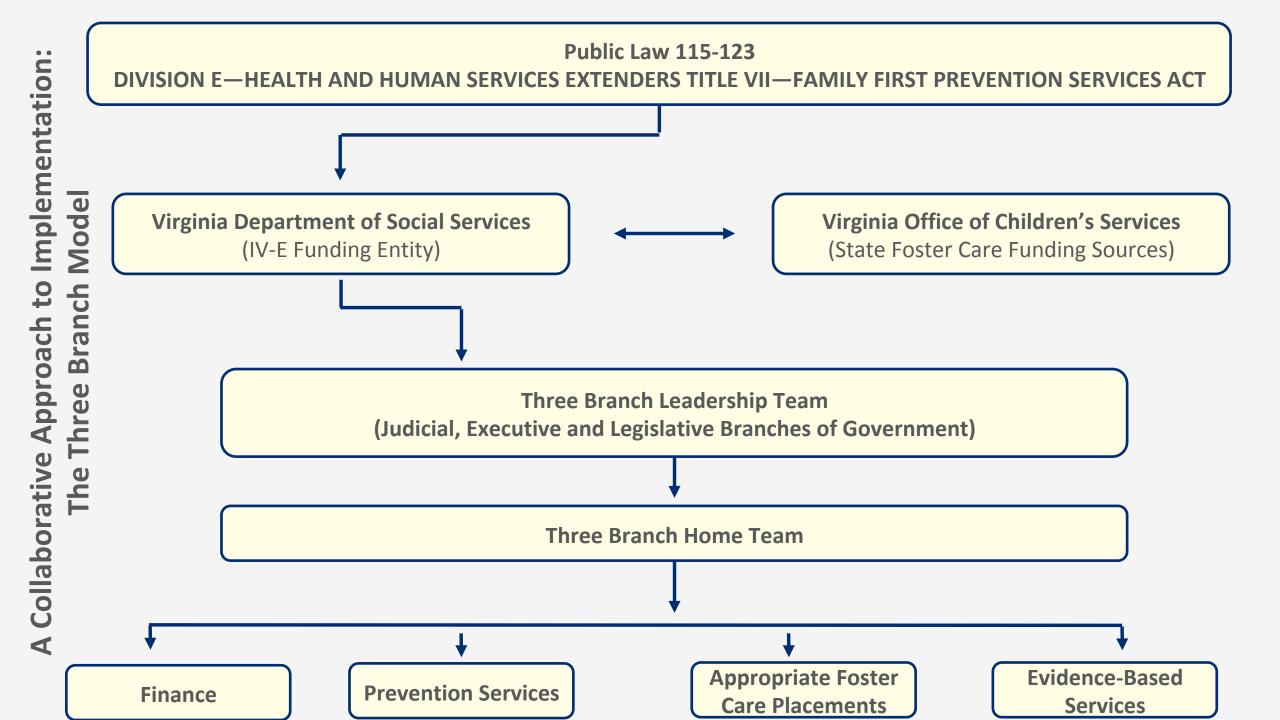
We will promote **reliable**, **accurate**, **transparent and timely two-way communication** among stakeholders throughout the implementation of Family First.



True transformation will take time, and implementation will **continually be monitored and updated** to meet emerging needs.



**Collaboration and partnerships** with systems across the state are the key to successful implementation of Family First. Every person and every organization, provider and system have an important role to play.



#### **Core Team**

Carl Ayers, Virginia Department of Social Services
Sandy Karison, Court Improvement Program
Scott Reiner, Office of Children's Services
The Honorable Monty Mason, Senator
The Honorable Chris Peace, Delegate
The Honorable Frank Somerville, Culpeper JDR Court

Children's Home Society
Commission on Youth

Court Improvement Program, Office of the Executive Secretary Supreme Court of Virginia

Culpeper Juvenile and Domestic Relations Court

Department of Behavioral Health and Developmental Services

Elk Hill Farm

Fairfax Department of Human Services

**Families Forward** 

Family and Children's Trust Fund of Virginia Family Focused Treatment Association Fredericksburg Department of Social Services

Governor's Office

**Greater Richmond SCAN** 

HopeTree Family Services

Norfolk Department of Human Services

Office of Children's Services

Office of the Attorney General

Powhatan Department of Social Services

Senate Rehabilitation and Social Service Committee

Spotsylvania Department of Social Services

**Troutman Sanders Strategies** 

**United Methodist Family Services** 

Virginia Association of Community Services Boards

Virginia Association of Counties

Virginia Association of Licensed Child Placing Agencies

Virginia Association of Local Human Services Officials

Virginia Coalition of Private Provider Associations

Virginia Department of Health

Virginia Department of Juvenile Justice

Virginia Department of Medical Assistance Services

Virginia Department of Social Services

Virginia League of Social Services Executives

Virginia Municipal League

Virginia Poverty Law Center

Voices for Virginia's Children

Youth for Tomorrow

#### Finance Workgroup

- Maintenance of Effort
- Budget Implications

## Evidence-Based Services Workgroup

- Survey for EBS in Virginia
- Collaborate with DMAS and DJJ

## Prevention Services Workgroup

- Recommendations on defining key terms
- Continuum of Prevention Services
- Feedback for Development of Federal Clearinghouse

## Appropriate Foster Care Placements Workgroup

- Recommendations for QRTP Assessment
- Feedback for Development of Federal Foster Home Model Licensing Standards

### **Moving Forward**

#### Finance Workgroup

- Recommend budgets/use of funds to support implementation
- Understand the financial costs of supporting the start up of evidence-based services

## Evidence-Based Services Workgroup

- Analyze results of EBS Survey (service gaps)
- Perform CANS data analysis
- Provide recommendations for fidelity monitoring and CQI process

## Prevention Services Workgroup

- Maximize and leverage CSA and Family First Funds (as well as other child serving agencies) to meet the diverse and complex needs of families
- Develop a long term vision for the prevention services continuum

## Appropriate Foster Care Placements Workgroup

- Develop workflow recommendations for the judicial and Commissioner review requirements for a youth placed in a QRTP
- Develop strategies to increase foster homes with an emphasis on kinship homes

#### Prevention Service Provider Considerations

Choosing an Evidence-Based Program/Service

- Must be chosen from the federal clearinghouse
  - Waiting on the release of clearinghouse
- Reach out to community partners to discuss community needs when choosing an evidence-based program.
- Consider the needs of the children and families in your community (especially those that qualify for Family First).
- Consider costs associated with implementation.
- Consider your agency's organizational structure and the administrative support needed to support and sustain an evidence-based program.

Evidence-Based Services

#### **QRTP Provider Considerations**

Choose an accrediting body that best fits your organization.

- Council on Accreditation (deadline for application is Nov 19, 2018 to ensure accreditation by Oct 1, 2019)
- The Commission on Accreditation of Rehabilitation Facilities (CARF) (deadline for application is Dec 29, 2018 to ensure accreditation by Oct 1, 2019)
- The Joint Commission(no application deadline)
- Reach out to other providers who have already been accredited for support and information

Reach out to community partners to discuss community needs when choosing a trauma-informed treatment model.

- Streamline efforts with the Children's Cabinet to define trauma-informed
- Consider an evidence-based treatment model

Full approval as a QRTP will occur at the state level.

 Virginia Department of Social Services and/or Department of Behavioral Health and Developmental Services Congregate Care

#### Treatment Foster Care Provider Considerations



Think of ways to support kinship placements and approve kinship providers



Explore Evidence-Based Models – Treatment Foster Care-Oregon(Adolescents), Teaching-Family Model, etc.



Stay tuned to the Children's Bureau for their formal announcement of model licensing home standards



Keep in contact with your colleagues who are on the Three Branch Team



### Carl Ayers

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## The Locals

### Our Responsibility

- Locally administer the Children's Services Act
- Develop Local policies and procedures
- Provide access to services for families and children
- Determine eligibility
- Maximize funding resources
- Ensure effective outcomes

#### Access to Services

- Collaborate with partners to build system of care
- Build provider base for array of services
- Ensure quality services through contracting
- Eliminate barriers to services for eligible children and families
- Secure funds to support eligible children and families



# Ifyou're the low man on the totempole, just remember... If it wasn't for you the whole damn thing would fall over.

### Major Issues

SPED services- Review Local CSA roles

 MCO changes to RTC and TFC- 6 Different IACCTs ??

Evidence Based Services

 Title 4 E funds-Explanation of difference in localities