

**State of Washington
Joint Legislative Audit and Review Committee (JLARC)**



**Voluntary Placement Program
Division of Developmental Disabilities
DSHS**

Briefing Report 01-4

February 16, 2001

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VOLUNTARY PLACEMENT
PROGRAM, DIVISION OF
DEVELOPEMNTAL DISABILITIES,
DSHS

BRIEFING REPORT 01-4

REPORT DIGEST

FEBRUARY 16, 2001



STATE OF WASHINGTON

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VOLUNTARY PLACEMENT PROGRAM

DIVISION OF DEVELOPMENTAL DISABILITIES

DSHS

SUMMARY

This JLARC briefing report responds to legislative concerns about the rapidly rising expenditures of the Voluntary Placement Program (VPP), administered by the Division of Developmental Disabilities (DDD) within the Department of Social and Health Services (DSHS). Costs for VPP were \$12 million for FY 1999, increased to \$22 million for FY 2000, were forecast to grow to \$29 million for FY 2001, and are anticipated to exceed \$30 million in FY 2002 and \$40 million in 2003.

Overall, we conclude:

1. The Voluntary Placement Program within the Division of Developmental Disabilities is significantly different from the process formerly administered by the Children's Administration (CA) prior to July 1998. The differences include both eligibility requirements and levels of services authorized and provided.
2. Young adults, ages 18-21, make up one-third of the current Voluntary Placement caseload. Services for this age group comprise about one-half of total monthly expenditures. This focus was not expected, given that the statute (RCW 74.13.020) defines "child" as a person less than 18 years of age.
3. The Division has not promulgated administrative rules in the Washington Administrative Codes (WACs) for the Voluntary Placement Program. No written uniform criteria are used consistently across the program for determining client eligibility, levels of services, and levels of reimbursements for services rendered. As a result, program officials cannot assure that effective cost control measures are in place.

We have concluded that, together, these three issues contribute to the rapid rise in expenditures for the Voluntary Placement Program.

BACKGROUND

The passage of E2SSB 5710 in 1998 created a new means of accessing services for children with developmental disabilities. Prior to its passage, parents of children with developmental disabilities, who believed they were no longer able to care for their child in their home, went through a court-based process to access out-of-home services. This process required that the parents give up custody of their child.

With the new law (RCW 74.13.350), parents are now able to enter into a voluntary placement agreement to secure these services. Now the sole reason for the out-of-home placement can be the child's developmental disability. For the first 180 days of services, no court involvement is required. And parents are no longer required to give up custody of their child.

Included in the 1998 Supplemental Budget was a transfer of funding for services and staff from the Children's Administration to the Developmental Disabilities Division within DSHS. This was done to benefit existing developmentally disabled clients who had an out-of-home placement and the sole reason was a developmental disability. In short, there was a change in the way that services could be obtained and how DSHS would manage that service provision.

The legislative intent behind the voluntary out-of-home placement is expressed in the authorizing legislation as follows:

. . . that the department undertake voluntary out-of-home placement in cases where the child's developmental disability is such that the parent, guardian, or legal custodian is unable to provide the necessary care for the child, and the parent, guardian, or legal custodian has determined that the child would benefit from placement outside of the home. (RCW 74.13.350)

Services

Under the Voluntary Placement Program, the Division of Developmental Disabilities provides a range of services to its clients:

- Basic maintenance (e.g., room and board, clothing, and personal incidentals)
- Specialized support (for children with exceptionally and highly individualized needs)
- Respite care and childcare
- Professional services (e.g., counseling, evaluation, physical therapy, nursing, and medical and dental)
- Other services (e.g., transportation and community activities)

These services are provided in three types of out-of-home placements:

- Family Foster Care – a private agency foster home or an individual licensed provider
- Family Group Care – licensed group care facility
- Other Residential – community-based supportive living and intensive tenant support

In addition, in-home supports such as intensive supervision and/or personal care, respite care, and childcare are provided.

Caseload and Expenditures

Exhibit 1 shows that as of October 2000, the Voluntary Placement average monthly caseload has increased from 493 in FY 1999 to 630 in FY 2001, an increase of 28 percent. During the same time period, the average monthly expenditure per client has increased from \$2,184 to \$3,557, an increase of 63 percent. As shown in Exhibit 2, expenditures are significantly higher for clients receiving services under the category of "other residential" (which includes intensive tenant support).

**Exhibit 1
Voluntary Placement Caseloads (Fiscal Years 1999 – 2001)**

	Average Monthly Caseload			
	FY 1999	FY 2000	FY 2001 (As of Oct 00)	% Change (FY99 - FY01)
Program Total	493	588	630	28%
By Type of Service*				
Family Foster Care	254	297	324	28%
Group Care	78	78	68	-13%
In-home Support	25	95	110	340%
Other Residential	39	58	80	105%
Other Services	93	178	206	122%

Source: Prepared by JLARC staff using DSHS Executive Management Information Systems (EMIS) data.
*Individual service counts exceed the monthly caseload because individual cases can receive more than one service.

**Exhibit 2
Voluntary Placement Average Expenditures (Fiscal Years 1999 – 2001)**

	Average Monthly Expenditures per Client			
	FY 1999	FY 2000	FY 2001 (As of Oct 00)	% Change (FY99 - FY01)
Program Total	\$2,184	\$2,952	\$3,557	63%
By Type of Service*				
Family Foster Care	\$1,420	\$1,848	\$2,097	48%
Group Care	\$4,094	\$4,598	\$5,040	23%
In-home Support	\$822	\$1,738	\$2,928	256%
Other Residential**	\$7,769	\$8,310	\$8,303	7%
Other Services	\$580	\$1,032	\$1,138	96%

Source: Prepared by JLARC staff using DSHS Executive Management Information Systems (EMIS) data.
*Total of average expenditures for individual service types exceeds the program total because individual cases can receive more than one service
**Mostly Intensive Tenant Support.

ANSWERS TO SPECIFIC LEGISLATIVE QUESTIONS ABOUT THE VOLUNTARY PLACEMENT PROGRAM

Question 1

The average cost per case has risen considerably. In comparison with how the Children's Administration managed the program, has DDD provided more services or reimbursed providers of the same services at a higher rate? For a sample of cases actually transferred from Children's Administration to DDD, how have service levels, service providers, and reimbursement levels changed?

During the course of our analysis of client and payment data, as well as our site visits, we found that there are several issues that relate to caseload and average cost increases.

A New Program

The Legislature made changes in statute in 1998 to make it easier for parents to gain access to out-of-home services for their developmentally disabled child. Whether or not these services are an "entitlement" is not clear. However, legislative intent to ease the impact on parents and children is clear.

The Voluntary Placement Program did not exist in the Children's Administration. Prior to the change in law in 1998, in order to get an out-of-home placement, a parent had to go through a court proceeding that resulted in the parent giving up their legal custody of the child.

With the change in law, parents can enter into a "voluntary placement agreement" without losing custody of their child. In addition, no court involvement is required for the first 180 days of the placement. After that period, the authorizing legislation says that the permanency placement hearings "shall review whether or not the child's best interests are served by continued out-of-home placement and determine the future legal status of the child." Again, this is a considerable shift: the court does not determine if the placement is **required**, rather it comments on whether or not continuing the placement is in the child's **best interest**.

In addition, unlike in the Children's Administration prior to 1998, the Developmental Disabilities Division has approximately 25 staff dedicated to the Voluntary Placement Program. This means that staff actively manage cases and pursue services for clients of this program.

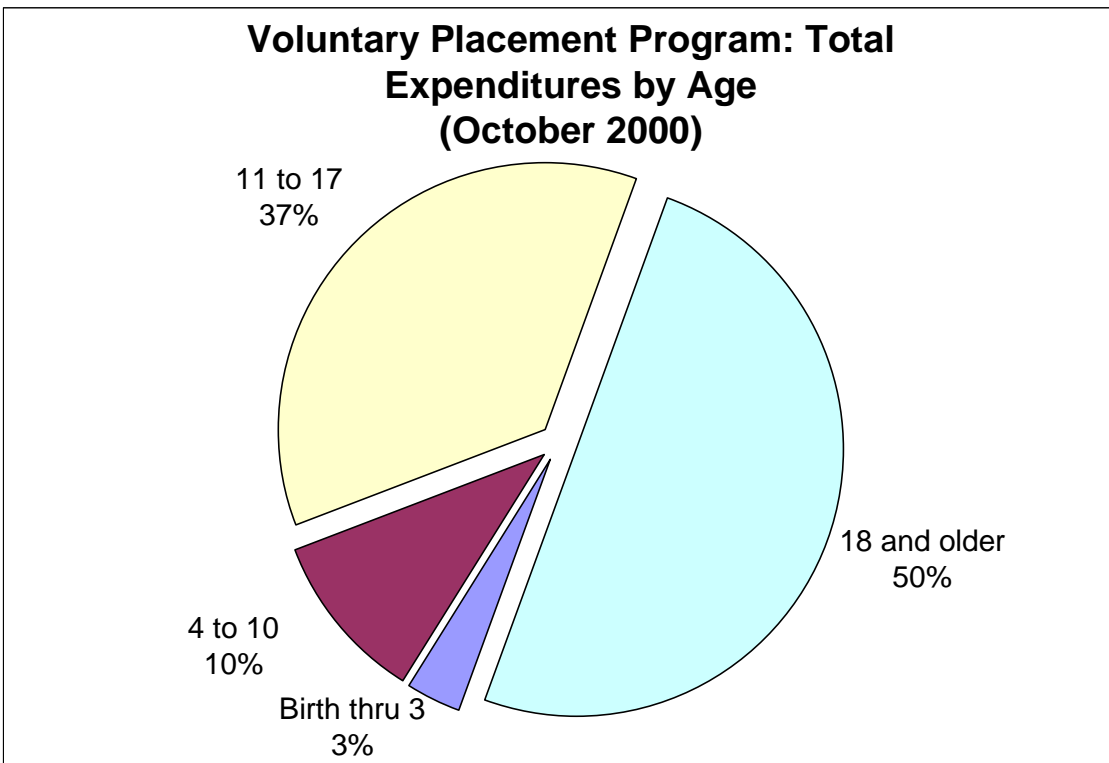
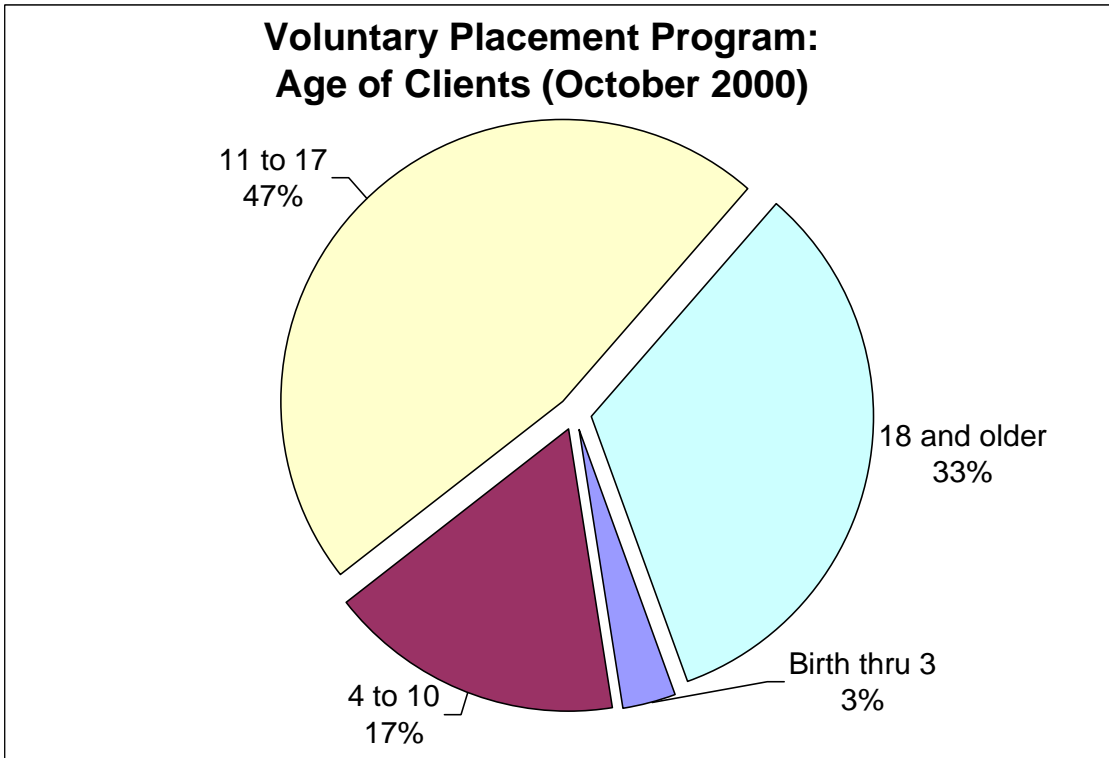
In summary, three key changes have taken place in the program: (1) it is less onerous to become a participant in the program, (2) staff are dedicated to a specific client sub-group, and (3) staff-to-client ratio is low. Therefore one could expect increases in the caseload and service levels.

Caseload Is Dominated by Older Clients

The statute that created the program addresses the needs of the "child." A child is defined as a person less than 18 years of age. According to the Division, approximately 29 percent of the clients transferred from the Children's Administration in 1998 were 18 and older.

These 18-21 year-old clients tend to cost more than the other age groups, because more of them are using the expensive intensive tenant support service. As Exhibit 3 on the following page illustrates, for payments made in October 2000, almost 50 percent of total expenditures went to those 18 and older, yet they make up one-third of the caseload. Appendix A includes the number of VPP clients in each age group.

Exhibit 3



Source: Prepared by JLARC staff using SSPS authorization and payment records data.

Lack of Written Uniform Policies and Procedures

Of great concern too is the lack of written uniform policies and operating procedures for the program. The Voluntary Placement Program has been operating for almost three years and has done so without formally adopting any administrative rules in the Washington Administrative Code (WACs). Without WACs, there are no boundaries around the program.

What is the process for determining who is and is not eligible for the program? Is the program intended for clients age 18 and older? Questions of this sort—policy, eligibility, service levels—must be addressed in WACs if the program is to be operated in a uniform and consistent manner across the six DSHS regions in Washington. Because the program is new and changing is no reason for the absence of WACs.

Consistent procedures begin with the fundamental building blocks of WACs. Without them, there is no detailed controlling legal authority. But of equal importance, more detailed policies and procedures have no benchmarks. For instance, there is no WAC defining who is eligible for the program. It appears that there is no common process shared across the state for assessing a client's needs. Therefore, there is no common process across the state for determining required levels of services, and the costs of those services.

In site visits, we heard anecdotal information about the needs of the clients in the Voluntary Placement Program. However, there is no way to objectively compare these needs either between clients in the program or between these clients and other DD clients. As such, there is no way to determine if service levels are high, low, or correct. Without a consistently used assessment tool and without a rate structure that is linked to that assessment tool, management controls over service levels and costs are difficult, if not impossible, to administer.

Question 2

Prior to the transfer, Children's Administration collected a portion of a client's SSI payment to help offset the cost of care. DDD does not do this, but states that they reduce reimbursement levels to recognize the available resources of the client. Has this been a budget neutral change?

The Division of Developmental Disabilities uses a different process than that used by the Children's Administration to collect Supplemental Security Income (SSI) payments from its clients. The Division requires parents to establish a "representative payee," who then works with the social worker to pay for appropriate services on behalf of the client. The state then makes adjustments in the level of service payment accordingly.

The representative payees retain \$27 per month for their services. This may or may not be equal to the cost if the state were handling the collection of SSI payments.

The program does not have written uniform procedures to be followed by all social workers to ensure that the correct amount of service payment reduction is entered into the payment system, or whether the social workers actually make use of all possible SSI benefits each month to offset some of the costs of services.

Question 3

The DDD paid for an increasing number of services provided for families in which there was no out-of-home placement for the child. Was this expansion within the statutory or budgetary authority of the program, and was it a significant departure from how the Children's Administration administered the program?

As there are no WACs that define services and eligibility for those services, and no assessment tool to determine the level of required services, we must rely on statements from regional and headquarter's staff on how in-home support services are managed. Children's Administration staff told us that they provided some level of in-home support in an attempt to prevent out-of-home placements. Indeed, Division of Developmental Disabilities staff said that some of the clients currently getting in-home support services are clients transferred to the Division from the Children's Administration who were already receiving such services.

Before the 2000 Supplemental Budget placed a dollar cap on the amount of money available for in-home support services, funds were used to provide such services to either keep an out-of-home placement from becoming a necessity, or for providing clients with services while an out-of-home placement was being arranged. We were told that in-home support is now used for two purposes: to provide services for clients while an out-of-home placement is being developed, or for clients who were receiving in-home support prior to being transferred from the Children's Administration to the Division of Developmental Disabilities.

Although we are not able to compare levels of in-home support services for clients before and after their transfers due to lack of comparable data, we can tell how long clients who recently received in-home support have been receiving such services. For clients with a payment record for in-home support in October 2000, almost two-thirds have been receiving in-home support services for six or more months.

Question 4

What rules or policies do program case managers follow in deciding whether to accept a request for VPP services?

The Division basically uses the authorizing legislation, which allows for broad interpretation, to determine who is eligible for the program. In addition, the Division relies on its social workers and their supervisors for using the best professional judgment in determining client eligibility. The Division has not promulgated WACs for the Voluntary Placement Program, and criteria that can be used consistently across the program for determining client eligibility have not been written.

Although we were told that no one has been formally denied a request for out-of-home placement, Division officials explained several factors that limit program participation. These factors include:

- Parents' inherent reluctance to place their children in out-of-home placements;
- The overarching goal of the Division to keep children in their own home; and
- The finite number of foster families willing to care for a child with developmental disabilities.

Division officials further contend the program requirements under statute are quite broad and do not require them to limit eligibility or deny participation in the program. However, due to the *impending financial constraints* around the program, and in light of the fact that this program is not explicitly determined an *entitlement*, the Division will need to set program eligibility parameters beyond what is currently in statute. Indeed, the statute allows the Division some latitude by stating that the placement has to be mutually agreed upon by the Division and the parents. So far, the Division appears to have relied *solely* on the parent's decision and has not developed criteria regarding when, *from the Division's perspective*, an out-of-home placement is appropriate and is the only option for a child.

The Division is in the process of drafting WACs for this program, but the draft provided to JLARC staff does not include an explicit process for determining program eligibility (beyond statutory requirements) or setting ground rules for the Division to deny placement.

Question 5

What rules or policies do program case managers follow in determining the level of services and reimbursement level for clients of the program?

Division social workers use the Individual Service Plan (ISP) to assess the needs of each child who qualifies for the Voluntary Placement Program. However, the ISP does not then lead to a specific **service level** for each client. The Division has guidelines for the social workers to make such decisions. However, the Division primarily relies on the social worker's judgment for determining specific service levels for each individual client. There is currently no formal process to ensure that the level of *service* for a given level of *need* is the same across regions, or even across social workers within the same region.

Similarly, **reimbursement levels** are largely negotiated by individual social workers on behalf of individual clients. Social workers follow the basic foster care rates determined and used by the Children's Administration, but also supplement the basic rate with "special foster care rates" or "serious need requests." Although it is likely that these additional costs are justified, there is no centralized management tracking of *when* additional services are called for or *what* reimbursement level is appropriate.

The Children's Administration has just created a foster care rate design that will allow them to uniformly connect given levels of need to specific service levels, and consequently, to specific reimbursement levels. DDD is in the process of contracting with the same firm (that created the system for CA) for a customized rate system to address the VPP caseload. It must be noted, however, that this proposed new system will cover family foster care payments and services only, which are used by 51 percent of the VPP clients. This proposed system will not address other services provided to VPP clients, such as foster group care, in-home services, other residential, or other services. The Division should develop a similar method of determining service and reimbursement levels for these categories of service as well.

Finally, the use of criteria and administrative rules (WACs) could not only help social workers to uniformly and consistently determine service and reimbursement levels, they could also serve as cost control measures. Currently, it appears that the Division lacks such measures for the Voluntary Placement Program.

Question 6

What rules or policies do program case managers follow in reviewing whether the need for out-of-home placement continues? Does the program pursue goals of family reunification, and if so, how well is it doing in returning children to their own homes?

Written rules or policies that establish criteria for evaluating continued need for out-of-home placements do not exist. However, we were told that Division social workers are asked to review the Individual Service Plan (ISP) annually, and also conduct a face-to-face meeting with each client every 90 days.

There are two forms—Permanency Plan and Periodic Review of Individual Service Plan—which social workers are to complete. The Permanency Plan lists four primary placement goals. For a child to be able to go back to his/her home is one of the goals. The Periodic Review of Individual Service Plan includes recommendations and rationale for the child's continued out-of-home placement. The Division, however, does not track this information.

Regional staff said that family reunification is an option, but they think that the stability and adequate care of the client is paramount. The Division cannot document the number of cases that have been reunited with their families because the out-of-home placement was no longer needed.

METHODOLOGY

The scope of this study is limited to answering the questions that were raised in a memo of December 5, 2000, from the chair of the Senate Ways and Means Committee to the chair of the Joint Legislative Audit and Review Committee. We conducted this study during January and February of 2001.

As part of our study, we interviewed staff of the Division of Developmental Disabilities at the DSHS headquarters in Olympia, and reviewed the Division's policies, procedures, budget documents, and program data relating to clients and services. We also interviewed officials of the Children's Administration and DSHS Budget Division at the DSHS headquarters.

We visited DDD offices in Spokane (Region 1), Tacoma (Region 5), and Olympia (Region 6) to better understand how the Voluntary Placement Program is administered at the local level. In addition, these field visits allowed us to see the program in the broader context of the Division of Developmental Disabilities. During these visits, we interviewed VPP social workers and supervisors and reviewed six client files.

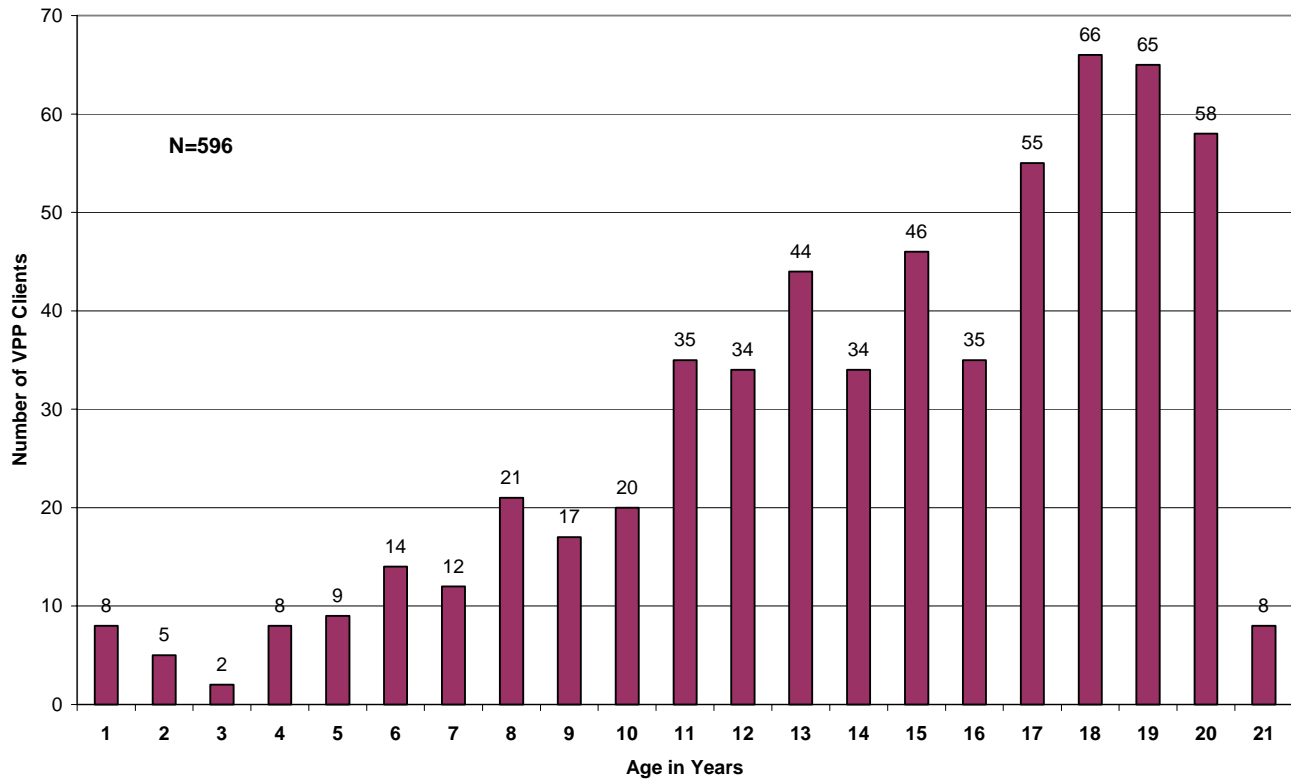
In Regions 1 and 5, we also talked with Children's Administration staff to get an understanding of how it managed out-of-home placements of developmentally disabled children before the 1998 transfer. We also interviewed staff of the Catholic Community Services, which is a service provider for both the Division of Developmental Disabilities and the Children's Administration.

We interviewed staff of the Caseload Forecasting Council to learn about the method and assumptions used for forecasting Voluntary Placement caseloads.

Finally, it should be noted that we relied on the Division for providing us with the necessary data and other program information and have not independently collected or verified this information.

Appendix A

Voluntary Placement Program: Number of VPP Clients by Age



Source: Prepared by JLARC staff using SSPS Voluntary Placement Authorization File.