

DRAFT EOHHS Response to CHINS legislation 5/20/10

1. What is the purpose of the proposed legislation, and do you support that purpose?

The bills seek to reform the current CHINS system, which serves runaways, truants, children who persistently refuse to obey the lawful and reasonable commands of their parent/guardian, and/or children who persistently violate the lawful and reasonable regulations of school.

Asst. Secretary Marilyn Chase, on behalf of the Administration, provided qualified support of the legislation at a 10/6/09 Committee hearing. Following the hearing EOHHS agreed to re-draft the legislation to address the Administration's concerns regarding lack of funding and prescriptive language. Some but not all of EOHHS's comments were accepted. Senator Spilka redrafted the legislation and asked us for comments again. These are our suggested changes. The major change is to extend the timeframe of implementation from 3 years to 4 years. In addition, language was added to build upon prior years' analysis and work to insure that there is a basis for continuation of the planned implementation of the CHINS bill.

2. What would the effect of implementing the proposed legislation be?

SB 2329 would shift primary responsibility for the initial point of CHINS contact from the courts and probation to the EOHHS Secretary. At the 10/6/09 Committee Hearing, Pat Walsh from the Probation Dept. testified that they were opposed to the CHINS bill as originally written. Additionally, there are requirements impacting schools and DESE. EOE's position on the current bill should be determined.

The changes that we have made allow for an understanding of the cost on an annual basis. The first year of the bill would require Probation and EOHHS to analyze data to better understand case mix and potential cost and program development. Unless Probation cooperates with producing the data, we will not be able to do data analysis.

a. Would it create a new program, require the addition of new personnel, or permit a reduction in personnel?

This would be a new program for EOHHS that would require additional new personnel and increased contracted providers. Year one cost would be limited; costs grow with each year of implementation with the major cost impact in Year 4 of the bill.

b. What would be the start-up cost of implementing this legislation?

Currently, there is no appropriation attached to this bill. In the EOHHS' suggested re-draft of the bill we inserted the term "subject to appropriation" in several sections. We can estimate the costs for the first two years, since those years are data analysis and

developing the model. Year 3 includes developing a pilot and year 4 requires that EOHHS implement the CHINS model statewide.

c. What is the estimated annual additional cost or savings created by this legislation?

We have not done a formal cost analysis of the bill. However, extrapolating from cost projections developed for the new MassHealth community-based behavioral health services being implemented through the Children's Behavioral Health Initiative can give us an idea of the order of magnitude: depending on the size of the *non-Medicaid eligible* CHINS population and the service model used, the range of new costs could be between \$20M and \$50M in year 4. (CHINS youth who are eligible for MassHealth can now access the new MassHealth services if they meet medical necessity criteria for the service.

The estimated administrative costs to EOHHS are:

Year 1: \$300,000 (includes hiring of staff for year 2 at the end of year 1)

Year 2: \$1,000,000

Year 3: \$1,000,000 plus cost of the pilot. Cost of the pilot will need to be determined by the end of year 2.

Year 4 is full implementation of the CHINS program. Admin cost is \$1.7 which includes the staffing costs from Year 3 plus estimated cost of an ASO to monitor quality and provide technical assistance. Program costs are currently estimated at between \$20-\$50M. Inflation is not assumed in this calculation.

d. Will federal funds or other revenue accrue to the state as a result of the passage of this legislation?

The impact on federal revenue cannot be formally assessed because we do not know who the population is who we will be serving.

3. In what period of time can this legislation be implemented fully? When should the legislation take effect?

The legislation proposes full implementation in four years. The first three years are planning years, including a pilot; services begin at 48 months.

4. Do you favor or oppose enactment of this legislation? Please provide a detailed explanation of your position.

EOHHS supports the intent to reform the current CHINS system. However, we believe the community based services envisioned in the legislation cannot be implemented without new appropriations. Accurate costs are almost impossible to calculate at this time due to a lack of data about the population, and lack of detail about the proposed services. In order to develop an accurate appropriations figure we need information we don't yet have, specifically:

- Data about the children and families involved currently involved in CHINS to determine what kind of services that they need (medical and/or non-medical)
- Data on the insurance status of the CHINS population and whether they are likely to be MassHealth members; this would tell us what services are federally reimbursable, and which services would require full state funding.
- We also need more detail regarding the service model described in the legislation.

Two important contextual factors to consider:

1. Implementation of the new MassHealth Behavioral Health services, pursuant to the judgment in *Rosie D. v. Romney*, have significantly expanded community-based services for children and youth. We have concerns about the overall capacity in the service delivery system. The new services for CHINS youth may increase the demand on this service delivery system.
2. The lawsuit filed recently against DCF may result in hard-to-foresee demands on this same workforce, on state agency policy and planning staff and on the need for additional financial resources for DCF to implement necessary changes.

Risk: Our changes in the draft legislation require that the data analysis above occur so that a cost analysis can occur with an understanding of not only the numbers of youth who will need the service, but what types of services they will need.

3. **Please provide the committee with any amendments substantive or technical which you recommend the Committee adopt in reporting this legislation.**

Attached.