Foster Care Funding and Capacity Building Updates

House Appropriations Committee | September 8, 2022

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How did the Legislature address foster care capacity?

- **Supplemental funding**: Rate add-ons included in House Bill 5 (87th 2nd Special Session) were critical to sustain capacity
  - Supported increased workforce and inflation costs
  - Not a rate increase, funding is limited to current biennium
- **Legacy System capacity building grants** (included in House Bill 5, 87th 2nd Special Session): not yet distributed
- **Community Based Care capacity building funds**: efforts well underway
  - Funding passed in regular Session, limited to biennium
  - Concerted efforts on kinship care, workforce credentialing, and targeted foster home recruitment
- **Rate methodology modernization** (required by General Appropriations Act, Art. II Special Provision 26) work ongoing, focus on quality outcomes rather than service levels

Operational perspective on children without placements and out-of-state placements

- Kids in unlicensed settings such as hotels and offices – need placements that can offer treatment, but that's only a portion of capacity needs…
  - Kids are still placed out of state, region, county
  - Child-specific contracts have increased
  - Hospitalization beyond medical necessity
- Not every bed can serve every child, particularly those with the most complex needs – not every setting is equipped for therapeutic services
- These are the kids that are harder to place and maintain placement

What still inhibits capacity growth?

THE BIG THREE

1. The complex needs of children

2. A competitive workforce environment

3. A complex and frenetic regulatory environment

Who are the kids without placement?

- Older youth and teens
- Children with complex or high acuity – *over 40% in CWOP were previously in a psychiatric setting*
- Refusal to Accept Parental Responsibility – *40-50% of CWOP*

High acuity *or* ***complex needs*** *may represent children or youth with aggressive or self-harming behaviors, suicidal ideation, or children that runaway often. Complex needs can also mean children with primary medical needs that need highly trained care and even a dedicated caregiver.*

Complex Needs = Unique placement challenges

- Many foster homes may prefer a baby or younger child
- Larger sibling groups can be more difficult to place
- Complex needs such as aggressive or self-harming behavior, require a significant training and experience, high level of supervision
- Require additional, skilled staff and operational support

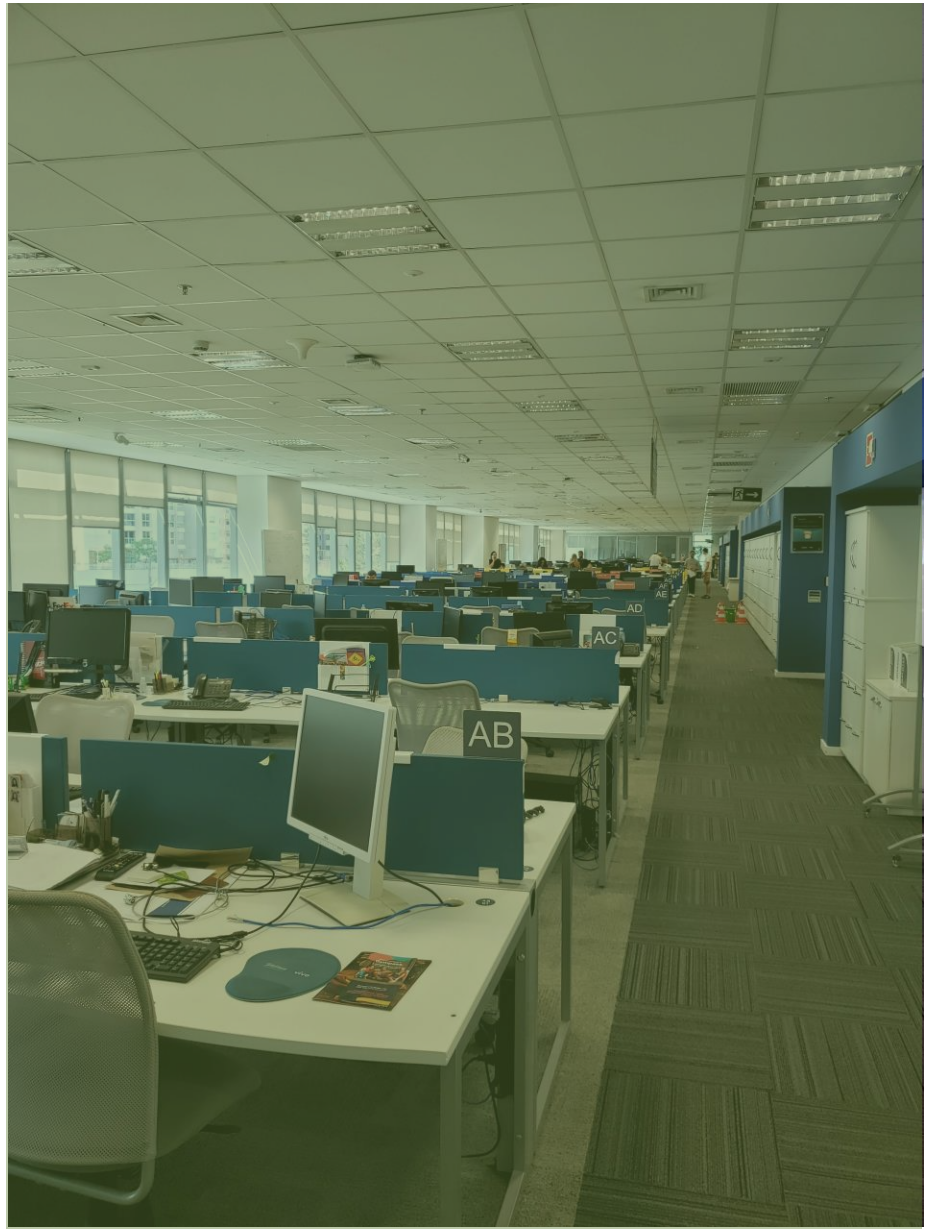
Supporting Complex Needs: What can we do?

- Sustain supplemental funding while foster care rate methodology reforms are implemented
- Support high quality trauma-informed programming and invest in an array of IV-E eligible settings (foster family homes, Qualified Residential Treatment Programs, trafficking/at-risk trafficking programs, Supervised Independent Living, pregnant & parenting, etc.)
- Increase investment in developing and supporting licensed kinship care to increase ability for kin to support children with complex needs
- Continued support of family preservation and post adoption and permanency and successful implementation of bills that support development of therapeutic services across the continuum of care -- SB 1896, SB 642, SB 910 (87th Legislature)
- Removing barriers and maximizing children's mental health services through Medicaid

Workforce: Challenges & Impact

- Salary competition within social services and from other sectors
- Desire to work from home or flexibly
- Difficult jobs by nature
- Increasing professional liability
- Increased need for mental health professionals

Impact: lower census but more staffing needs, more difficult to staff for children with higher needs, harder to build new capacity, forces competing priorities and resources



Supporting Workforce: What can we do?

- Sustain and grow funding/rate increases to support child-serving workforce
- Increases to support for child psychiatrists, therapists, and other mental health professionals billing Medicaid
- Ability to bill for supervised clinical internship hours to attract and retain mental health workforce and build clinical capacity

Regulatory: The Texas Environment

- Texas is clearly prioritizing child safety and accountability – that's good – but the licensing and oversight system was created and added onto over many years -- it is complex and should be reviewed with the goal of child safety and outcomes
- The goal is to be able to identify and act on true safety concerns, but we continue to hear examples of citations for minor infringements, *ex. cleaner left on the counter or moldy bread*
- The current regulatory environment is confusing and sometimes punitive, which can lead to a reluctance to take children with more complex needs
- Organizations and professionals may be held accountable for behaviors that are trauma-related or known by the agency and provider, such as running away or self-harming
- Corrective action should be constructive and help drive improvements, not only penalize. It is important to keep oversight child-centered
- Penalties are assessed by DFPS and HHSC, but are they yielding the intended outcome?

Regulatory: How can we help?

- Direct and fund HHSC to hire an independent expert to review, re-envision, and build minimum standards that make sense and are adaptable to changing needs of children and the industry learning more and more
- Ensure resources for training and technical assistance from experts with practical experience in child safety and well-being
  - Elevate best practices and trainings statewide
  - Fill gaps needed for organizations
  - Help organizations with less resources develop

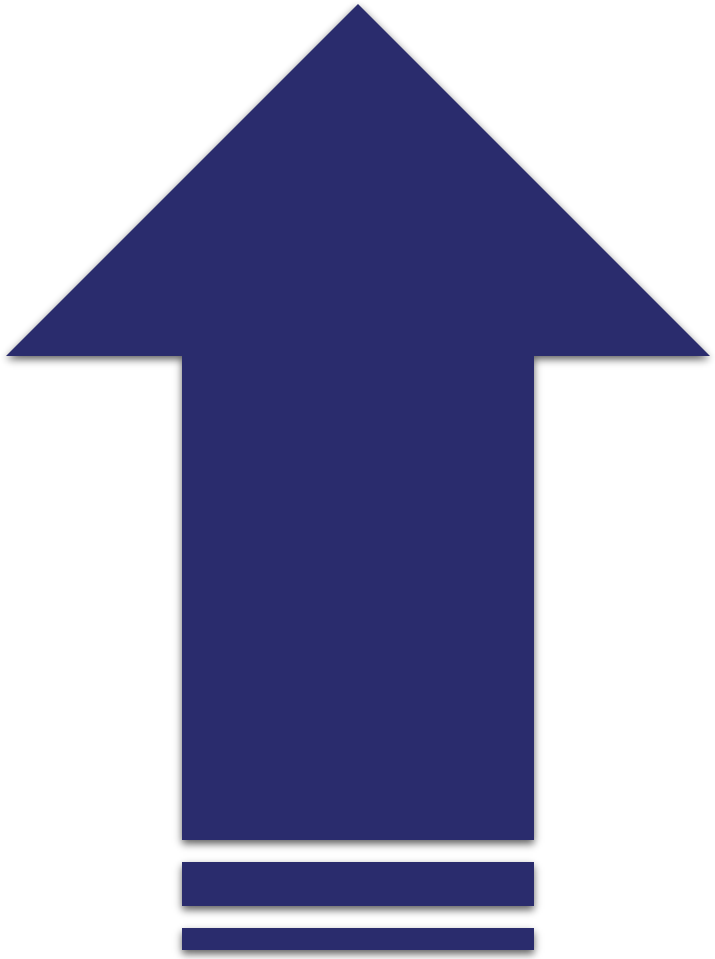
TOP 3 TAKEAWAYS

1. Capacity growth is inhibited by the **complexity of older and high needs children** and can be addressed with sustained funding, more support for family preservation and post-adoption/permanency, support for treatment based programs, increased investment in kinship care.
2. Capacity growth is inhibited by a **competitive workforce environment** and can be addressed with funding and by broadening clinical workforce.
3. Capacity growth is inhibited by a **complex regulatory environment** and can be addressed with child-centered flexibility and focus on improved outcomes.

Continuum of Care Updates: Resources and Reference Materials

This section will not be discussed in prepared remarks but is provided for broader reference. Please reach out with any questions.

Texas Leads the Way in Prevention and Early Intervention

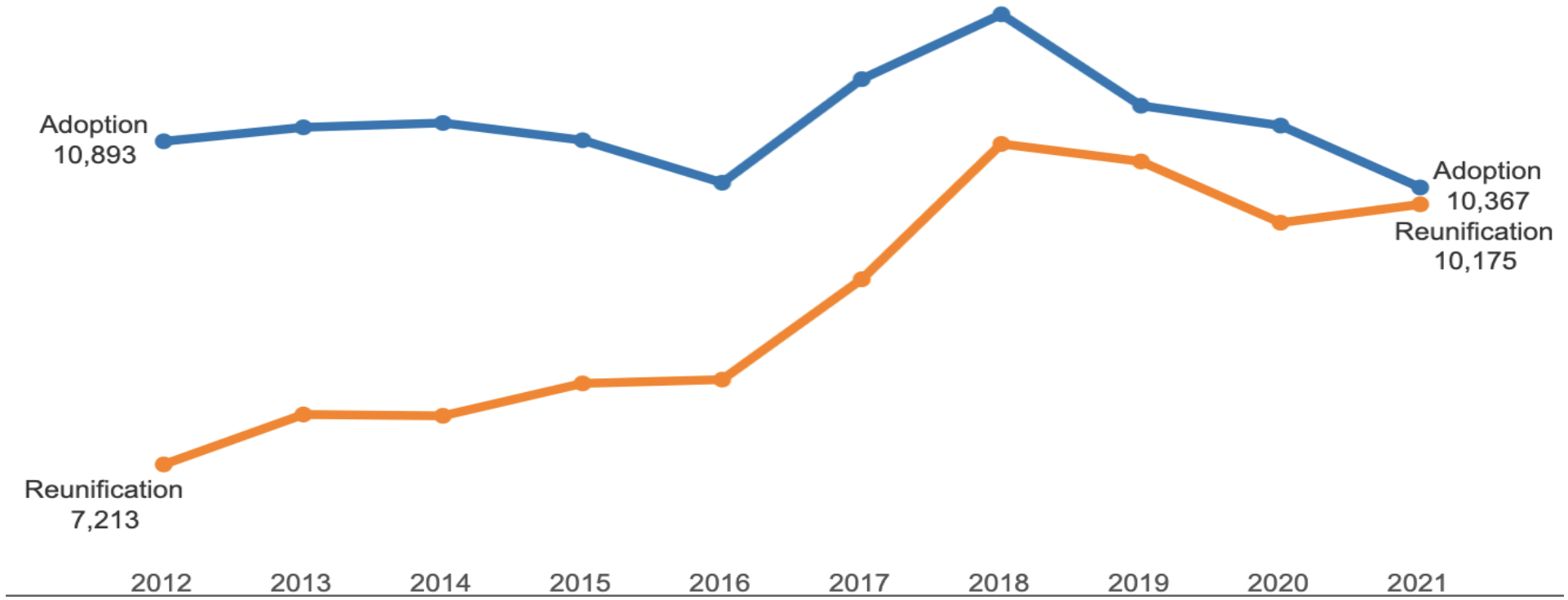


- 54,000 families served
- HOPES at an all-time high
- Family Resource Center development
- Home visiting programs

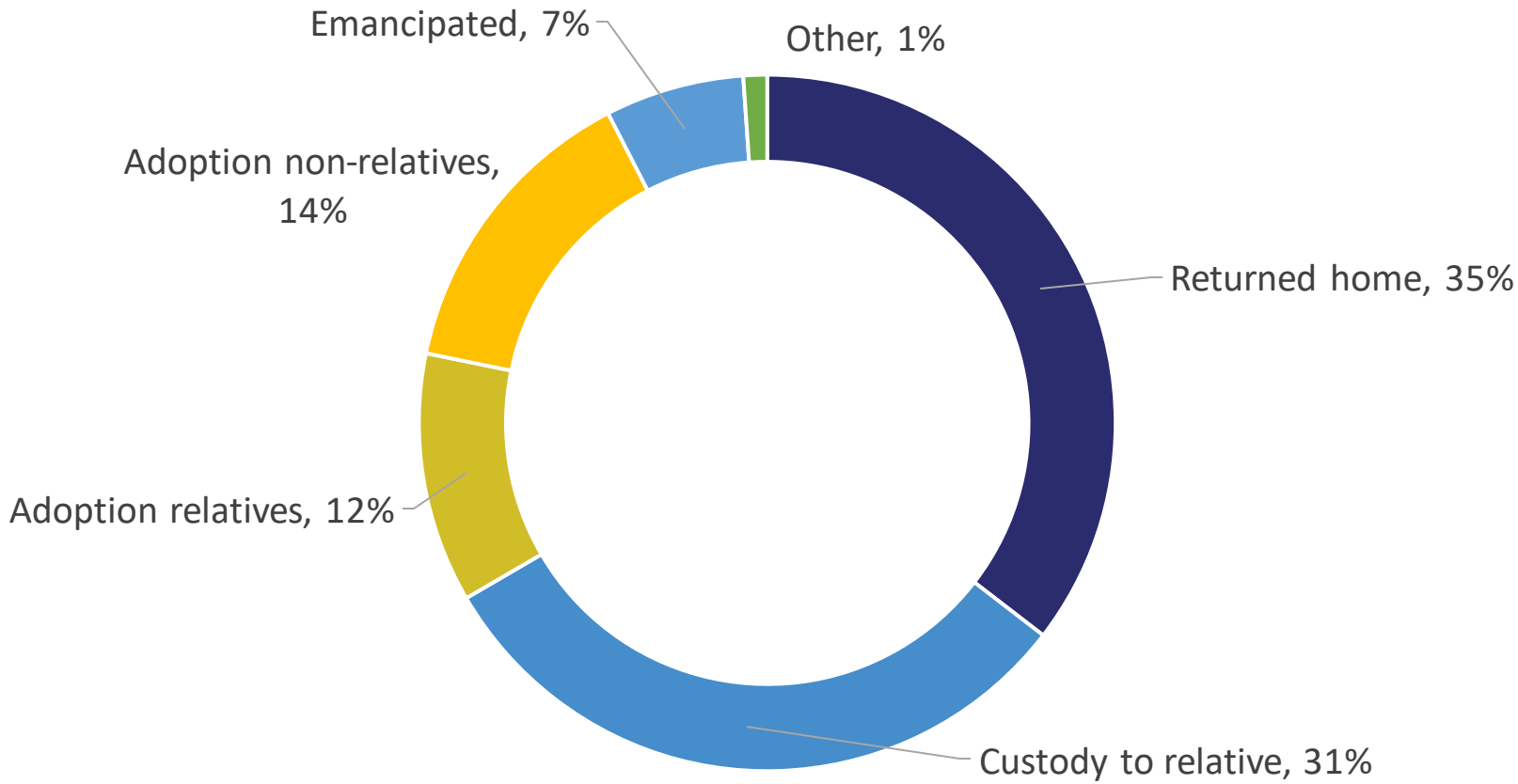
Foster and Kinship Care

- **Kin as the First Placement**
  - 40% of first placements in 2021 were with kin/relatives - this is an increase
  - Other settings are seeing a decline - including emergency shelters and foster homes
- **Sibling groups placed together** saw a slight decline in the last year
- **Proximity to home**
  - 82% of children in foster homes or with relatives were placed within their home region in 2021 –a slight decrease from previous years.
  - Of the 1,333 kids placed in an RTC, 31% were placed in their home region.
- DFPS reports that the most common reason caseworkers identified for a **disruption in a kinship home** was the child's behavior and the caregiver being unable to meet the child's needs, followed by risk or actual abuse/neglect (18%).

For the first time, family reunification as a permanency goal is equal to that of adoption, which remains steady



When they leave care, 35% of children return home and another 43% live with a relative



Permanency, Adoption, and Post-Adopt Services

- Post-adoption and post-permanency services support families once permanency or adoption is reached, but they still need support
  - Services are limited by appropriations and contractual restraints and resources are targeted for highest need populations
- Permanency Care Assistance has continued to grow since Legislature implemented, able to pull down a federal match
  - PCA has doubled in almost ten years, but still underutilized (less than 20% of kids who exit to permanency kin exit with PCA)
  - The data shows outcomes are better for kin with PCA
- Adoption subsidy also continues to grow
- The need for high quality post-adopt services that can support families and prevent re-entry to foster care has seen incremental growth over the last several years.

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THANK YOU!

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