

Human Services — Developmental Disabilities, Child Welfare, Cash Assistance Programs, Behavioral Health

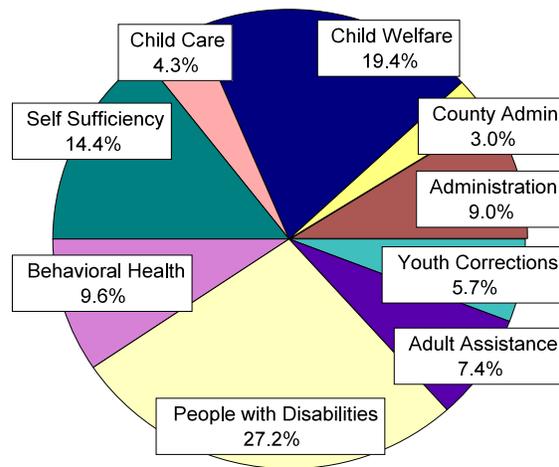
Department Overview

The Colorado Department of Human Services (DHS) oversees the state's 64 county departments of social/human services, the state's public mental health system, the system of services for people with developmental disabilities, the juvenile corrections system, and all state and veterans' nursing homes, through more than 5,000 employees and thousands of community-based service providers. Many services are managed by counties or other local entities, under the supervision of the DHS, while others are provided by department staff in state-operated facilities.

As reflected in the Figure 1, the largest components of the department's \$2.1 billion budget include services for people with developmental and other disabilities, child welfare services, and self-sufficiency programs, including cash assistance.

**Figure 1
Human Services Appropriations
by Division**

(FY 2012-13 = \$2.1 billion)



From a General Fund perspective, the most significant areas are child welfare (\$210.8 million or 24.3% of the total), services for people with disabilities (\$230.7 million or 26.7% of the total), mental health and alcohol and drug abuse services (\$135.4 million or 15.6% of the total), and youth corrections (\$112.7 million or 13.0% of the total).¹

Services for People with Developmental Disabilities

Overview of services. The state funds residential and non-residential supported living services for persons with developmental disabilities who require some level of support. With the exception of approximately 300 adults, individuals with developmental disabilities receive services through community-based residences and providers. The state has delegated the coordination of community services to the non-profit agencies known as Community Centered Boards (CCBs). Approximately 300 adults with more severe medical and behavioral issues are served at one of the state-operated Regional Centers located in Wheat Ridge, Grand Junction and Pueblo. The primary source of funding for these services is through the Medicaid program, which provides the state with a federal dollar for dollar match rate (i.e., for every dollar of state funds spent, the state receives a dollar of federal funds).

¹ General Fund amounts include both direct appropriations to the Department of Human Services and the General Fund portion of Medicaid funds initially appropriated to the Department of Health Care Policy and Financing and transferred to the Department of Human Services.

Population served and primary services provided. The DHS oversees the programmatic aspects of services for more than 14,900 children and adults with developmental disabilities. More than 6,000 infants and toddlers are projected to be served in FY 2012-13 through early intervention services, approximately 4,570 adults are projected to be served through comprehensive residential services, approximately 4,000 adults are projected to receive non-residential supported living services, and approximately 400 children and their families are projected to receive in-home support services.

Most clients reside in group homes or host homes (private homes where a family is contracted to provide housing and other services), with the exception of about 300 clients who receive services at one of the Regional Centers. The 4,570 adults and 400 children who receive non-residential support services live with their families or in shared apartments and receive services that enable them to remain an independent functioning member of the community. Services provided to both residential and non-residential individuals include day services (activities provided outside of the residence), transportation, personal care, respite care for providers, and home and vehicle modifications. The range of needs across the population of individuals with developmental disabilities is vast and ranges from nonverbal individuals who require assistance with personal care to adults capable of working in the community and living independently with minimal assistance.

Cost of services. For FY 2012-13 the DHS was appropriated \$450.8 million (including \$194.3 million General Fund) to provide services to individuals with developmental disabilities. Of the total funds, 67.2 percent provides residential and support services to 4,270 adults requiring comprehensive care. Costs for comprehensive placements depend on the level of need of the individual and average \$79,037, but range from \$52,143 to \$168,556. Non-residential support services provided to approximately 4,000 adults account for 9.8 percent of the total funds. The average cost of non-residential support services is \$15,242 and ranges from \$12,193 to \$27,366 in FY 2012-13. Support services provided to children and their families represents 1.7 percent of total funding. Services for infants and toddlers accounts for 3.3 percent of the total costs. Services provided to approximately 300 individuals in Regional Centers accounts for 11.1 percent of the total cost, with an average of \$209,027 per person. The remaining 6.9 percent is spent on case management services for all 14,900 children and adults.

Factors driving the budget - Waiting lists and provider rates. The economic downturn significantly curtailed new funding for additional placements and increases in community provider rates from FY 2007-08 to FY 2012-13. Despite the financial constraints on the state General Fund, a total of 131 new placements were added in FY 2011-12 (96 residential and 35 non-residential), and a total of 173 new placements were added in FY 2012-13 (93 residential and 80 non-residential). For FY 2013-14 the Governor has requested a provider rate increase of 1.5 percent, and funding for 809 new children and adult placements.

Because services for people with developmental disabilities are different from the standard Medicaid medical services, Colorado has received a special Medicaid waiver to provide these services, which allows Colorado to offer these services in greater quantities and for longer durations than would be possible through the standard Medicaid program. Since these waivers allow Colorado to limit the number of service recipients, and the growth in the demand for these services has outpaced the number of new placements, a waiting list for these services exists, and continues to grow. As of June 30, 2012, 1,641 adults were waiting for comprehensive residential services, 397 adults were waiting for non-residential support services, and 434 children were waiting for non-residential support services.

Child Welfare Services

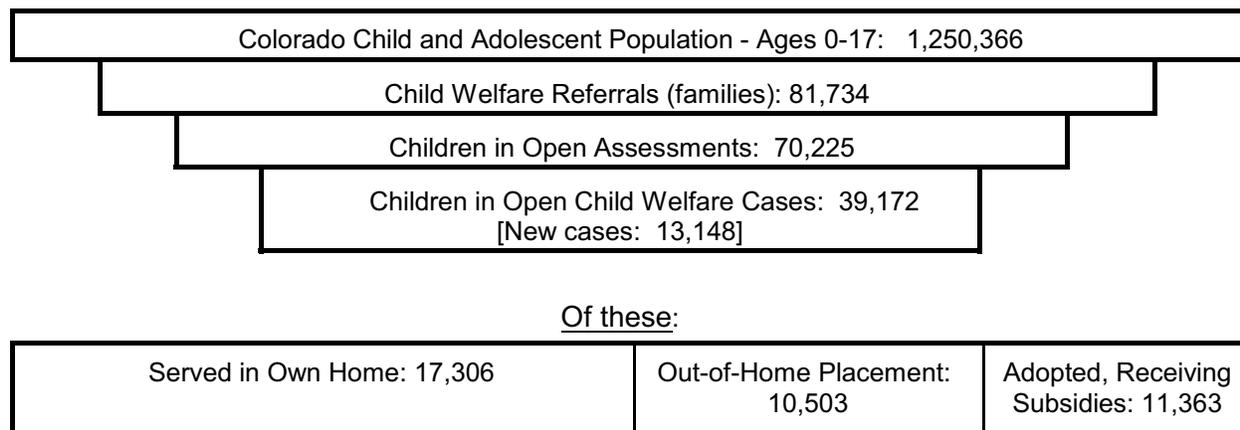
State and county responsibilities. In Colorado, abused and neglected children are served through the state-supervised, county-administered child welfare system. County departments of social services receive and respond to reports of potential child abuse or neglect. If, based on an investigation, a county determines that child welfare services are necessary to ensure a child's safety, it must provide appropriate services. The goal of these services is a safe, healthy, and stable environment for each child. If a court determines that it is in the best interest of the child and the community to remove the child from the home, the court may place the child in the legal custody of the county department for placement in a foster care home or child care facility.

Population served and primary services provided. A county may determine that a referral does not merit investigation or, after conducting an investigation, may determine that no child welfare intervention is necessary. In some cases, families may be referred to other kinds of assistance.

Of the 39,172 children who received child welfare services in FY 2011-12, 44 percent remained in their own home, 27 percent were in foster care (including kinship care with relatives), and 29 percent were foster children who had been adopted but continued to receive support from county departments. The families of children who remain at home may receive various kinds of services, such as intensive home-based treatment or life skills training to assist the family in providing a safe environment. The average length of stay in an out-of-home placement is about five months, after which children may return to the family home, move into an adoptive placement, or become emancipated from the child welfare system when they turn 18 years of age.

In addition to the children in families discussed above, Colorado's child welfare system also serves youth who are beyond parental control or are a risk to the safety of the community. About 35 percent of all children served are age 14 or above.

**Figure 2
Child Welfare Service Populations**



Factors driving the state and county budgets. Appropriations for child welfare programs (\$402 million) are generally comprised of 20 percent county funds with the remainder funded with a combination of state and federal funds. Annual increases in the state appropriation are primarily based on projected increases in population and adjustments for inflation. The majority of the appropriation (over 97%) is distributed to county departments for child welfare services. State allocations to counties are capped: a county that overspends its annual share of state and federal funds is required to cover the overexpenditure with county funds.

Statewide, about 40 percent of total county expenditures are for families and providers who care for children who have been removed from their homes, including subsidies to families who have adopted children previously in foster care. The remaining funds are for county staff and administrative costs, as well as direct services (such as life skills training and mental health services) to children and families. County expenditures are driven by: (1) the number of reports of abuse or neglect received; (2) the number of children and families requiring child welfare services; (3) the number of children who are removed from the home; and (4) the cost of providing residential care and other services.

Current trends. The number of youth in out-of-home placements has declined steadily since the early 2000's, and overall the number of child welfare open involvements have declined since FY 2008-09. These reductions have occurred despite increases in the number of child welfare referrals and investigations. Overall county expenditures for child welfare programs have also declined by over 7 percent since FY 2008-09, and counties spent less than the state appropriated for child welfare services in FY 2011-12. While county budget constraints have likely played a role in expenditure levels, these trends also reflect changes in best-practices in child welfare services, *i.e.*, a greater emphasis on keeping youth in the family home and placing with relatives when children are removed.

Cash Assistance Programs

Colorado has multiple programs that provide assistance to citizens in need. Each program is unique in the way that it is funded, the conditions that accompany that funding, and the degree of control which the DHS and the General Assembly have over decisions affecting the program. This section compares several of the larger programs which provide direct cash payments to recipients:

- Old Age Pension, serving about 22,000 low income individuals age 60 and over;
- Aid to the Needy Disabled, serving about 6,900 low-income disabled adults; and
- Colorado Works, the state's implementation of the federal Temporary Assistance for Needy Families program, serving over 14,000 low-income families.

Old Age Pension (OAP) Program. The OAP program cost \$78.9 million in FY 2011-12 to provide cash assistance to over 23,000 Colorado residents age 60 or older whose income from other sources was less than the program's income limit (currently \$725 per month). The size of each individual's monthly grant depends on the amount of other income that the individual receives. For example, a senior with a \$400 monthly Social Security check and no other income would receive \$325 in monthly OAP assistance, raising his/her total income to \$725. The OAP program is mandated in Article XXIV of the State Constitution and is subject to the policy direction of the State Board of Human Services. As a result of those authorizations, the General Assembly has limited control over the annual cost of the program. The Old Age Pension Fund receives 85 percent of all state sales and excise taxes. Any portion of that revenue not needed to fund the program is transferred to the General Fund.

Aid to the Needy Disabled (AND). The Aid to the Needy Disabled programs are budgeted for a total cash assistance of \$17.4 million including \$11.4 million General Fund for FY 2012-13. These programs are projected to provide an average of \$192 per month in assistance to approximately 7,870 disabled persons age 18 to 59 whose income and assets are below specified thresholds. Some recipients qualify for federal Supplemental Security Income (SSI - a component of the federal Social Security system). In these cases, the state program supplements federal payments. For other recipients, including those for whom an SSI application is pending, the state payment may be their only cash benefit. Payments for recipients who are enrolled in the SSI program count toward a federal requirement that Colorado maintain its cash benefit spending for SSI recipients at a level no lower than the prior calendar year. Appropriations for the AND programs are at the discretion of the General Assembly, which considers factors including the federal requirement to maintain spending levels for SSI recipients.

Colorado Works Program. Including basic cash assistance, this program provides a variety of services to eligible families for up to a total of 60 months to help families become self sufficient. The maximum benefit is \$462 per month for a single parent with two children. As of June 2012, the caseload was 16,106 families. Caseloads appeared to be stabilizing in late FY 2011-12, after climbing steadily from a low of 9,188 in June 2008. Counties administer the Colorado Works program and the General Assembly provides an annual block grant to each county for that purpose. In FY 2012-13, a total of \$128.2 million is appropriated from the federal Temporary Assistance for Needy Families (TANF) block grant for county block grants, contingent on counties providing support of at least \$22.2 million in county funds. In addition to cash assistance, TANF funds may be used for many purposes so long as they pertain to the very broad federal program goals, and up to 30 percent of county allocations may be transferred to support child care and child welfare programs. Unlike many federal grants, TANF funds must be appropriated by the General Assembly before the DHS or the counties make use of them.

Behavioral Health

Division overview. The Division of Behavioral Health in the DHS administers mental health and substance use disorder treatment services for those individuals who are not eligible for Medicaid, live at or below 300 percent of the federal poverty level, and who do not otherwise have access to behavioral health treatment. The department's mental health system is comprised of 17 community mental health centers, two mental health institutes, and one forensics institute, while the substance use disorder program operates within a managed service arrangement with a network of administrators and providers.

Factors driving the budget. Indigent mental health and substance use disorder care is not an entitlement program, and therefore the number of people served depends upon the State's annual appropriation for this purpose. Factors driving the budget include the increasing costs of medical services and pharmaceuticals.

Community Mental Health Programs. The state will spend \$41.9 million in FY 2012-13 to purchase community mental health services for over 10,000 clients who are both indigent and mentally ill. The DHS contracts with the community mental health centers across the state to provide a variety of mental health treatments including inpatient, outpatient, emergency, and consultative and educational services to clients.

Substance Use Disorder Programs. The State will spend \$26.9 million in FY2012-13 to purchase community substance use disorder treatment services. The DHS contracts with a series of managed service organizations who then contract with treatment providers across the state to

provide a variety of substance use disorder treatments including inpatient, outpatient, detoxification, and long-term disease management to clients

Mental Health Institutes. The DHS operates two hospitals for individuals with serious mental illness: the Colorado Mental Health Institute at Fort Logan, located in Denver, and the Colorado Mental Health Institute at Pueblo. The Pueblo facility includes the state's Institute for Forensic Psychiatry, which provides competency evaluations, restores to competency those individuals who have been found incompetent to proceed in a criminal justice case, and provides services to individuals found not guilty by reason of insanity. The FY 2012-13 budget for the institutes is \$93.0 million, including \$75.7 million General Fund, to provide services for 545 beds. The average cost per bed across the two institutes is approximately \$232,000 per year.

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