

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Revised

Senate Bill 671 (Senator Van Hollen. *et al.*)
Economic and Environmental Affairs and
Budget and Taxation

**Child Welfare - Integration of Child Welfare and Substance Abuse Treatment
Services**

This bill requires the Secretaries of the Department of Human Resources (DHR) and the Department of Health and Mental Hygiene (DHMH) to consult a broad range of individuals and groups to develop a statewide protocol for integrating child welfare and substance abuse services. The protocol must specify the circumstances under which the local department of social services (DSS) must request that a court order comprehensive drug and alcohol assessment and testing. The secretaries must explore the use of excess hospital beds for substance abuse treatment, cross-train personnel in child welfare and substance abuse, enter into a Memorandum of Understanding, and adopt regulations to carry out the provisions of this bill. The Governor must allocate no more than \$16 million in the State budget for the provisions of this bill beginning in fiscal 2002. The bill expresses the intent of the General Assembly that annual spending on the Act not exceed \$16 million.

The bill takes effect July 1, 2000.

Fiscal Summary

State Effect: Expenditures are not affected in FY 2001.

The Governor must include up to \$16 million in the budget beginning in FY 2002, and for all succeeding years, to address this bill's provisions. At least \$2 million would be from federal funds. Additional federal funds could be made available to the extent that Medicaid or federal foster care dollars can be used for substance abuse treatment. The FY 2004 budget will also include \$500,000 for program evaluation. Expenditures on out-of-home placements

could decrease, although this cannot be accurately estimated. Revenues would not be affected.

| (in millions) | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|-----------------|---------|----------|----------|----------|----------|
| Revenues | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| FF Expenditures | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| GF Expenditures | 0.0 | 14.0 | 14.0 | 14.5 | 14.0 |
| Net Effect | \$0.0 | (\$16.0) | (\$16.0) | (\$16.5) | (\$16.0) |

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Revenues and expenditures are expected to increase beginning in FY 2002 and beyond, depending on the protocol developed for training and the program implementation.

Small Business Effect: Minimal.

Analysis

Bill Summary: This bill requires the Secretary of DHR and the Secretary of DHMH to consult with a broad range of child welfare professionals, substance abuse experts, judges, attorneys, managed care organizations, health care providers, local DSS's, local health departments, and child advocates for the development of a statewide protocol for integrating child welfare and substance abuse treatment services. The bill provides for the following:

- cross-training of all child welfare and substance abuse personnel;
- development of an approved curriculum for cross-training;
- development of criteria for qualified trainers using best practices from other states;
- development of a plan to provide financial incentives for both child welfare and addictions personnel who achieve specified levels of expertise;
- placement of qualified addictions specialists in all child welfare offices based on a caseload formula;
- screening of parents for substance abuse in all cases accepted for child abuse and neglect investigation or out-of-home placement;
- consultation with a qualified addictions specialist where there is any suspicion of substance abuse;

- development of a protocol specifying the circumstances which would require a local DSS to include in its “child in need of assistance” (CINA) petition, a request that a court order comprehensive drug and alcohol assessment and testing;
- development of a procedure for the notification to the local department of substance abuse assessment and testing results;
- development of a procedure for notification of an at-risk parent of the availability of substance abuse treatment;
- development of procedures for routine consultation and re-evaluation of progress in substance abuse treatment at every step as a child welfare case precedes; and
- ordering substance abuse assessment and testing by the court at an adjudication hearing, if a local DSS requests substance abuse testing for the parent of a child in a CINA case, unless the court finds compelling reasons not to order such testing and provides those reasons in writing.

The Governor must allocate no more than \$16 million per year to the program in the fiscal 2002 budget, and for all succeeding years. The \$16 million must include up to \$10 million to ensure that each at-risk parent gets substance abuse assessment, testing, and treatment on demand; up to \$1 million to provide financial incentives to child welfare and addictions personnel upon attainment of specified levels of expertise; and up to \$5 million to ensure that each child of an at-risk parent receives the coordinated treatment needed to remediate any harm done by the parent’s substance abuse. Federal IV-E funds resulting from a waiver agreement with the U.S. Department of Health and Human Services are not to be counted toward the \$16 million annual total. An additional \$500,000 is required in fiscal 2004 for program evaluation.

This bill requires the Secretary of DHR and the Secretary of DHMH to explore the use of excess hospital beds for new substance abuse treatment programs and coordinate their efforts with the recommendations developed by the Maryland Drug Treatment Task Force.

The Secretaries are to report their progress in developing and implementing the statewide protocol under the provisions of this bill to the Governor, the Senate Budget and Taxation Committee, the Senate Economic and Environmental Affairs Committee, and the House Environmental Matters Committee. The report must be submitted by December 1, 2000. The report must set forth the protocol and identify the amount and source of funds used to implement the bill’s requirements.

The Secretaries are to report their progress in developing and implementing the statewide protocol under the provisions of this bill to the Governor, the Senate Budget and Taxation Committee, the Senate Economic and Environmental Affairs Committee, the House Appropriations Committee, and the House Environmental Matters Committee. The report must be submitted on or before December 15, 2000 and every year thereafter until December

15, 2004, and must include a comparison of the availability of substance abuse treatment slots for at-risk parents and their children relative to actual demand and estimated need.

On or before June 30, 2001, the Secretary of DHR and the Secretary of DHMH will: (1) enter into a Memorandum of Understanding setting forth the responsibilities of each department in the implementation of the bill's provisions, a copy of which must be submitted to the appropriate committees; and (2) adopt regulations to carry out the provisions of this bill, to be known as the "Integration of Child Welfare and Substance Abuse Treatment Act." An independent results-based evaluation report must be included in the submission required by December 15, 2004. The bill's provisions are not to be applied retroactively and will apply only after the bill's July 1, 2000 effective date.

Current Law: Chapter 778 of 1998 established the Task Force to Study Increasing the Availability of Substance Abuse Programs, which is comprised of the Committee on Availability and the Committee on Effectiveness. It was determined that insufficient treatment capacity exists in Maryland; that there are multiple funding streams addressing the problem; and that Maryland should establish a statewide treatment system that allows for coordinated care, efficient funding streams, improved access for the uninsured, and systemic accountability.

Funds are included in the proposed fiscal 2001 budget for numerous substance abuse programs within DHMH, DHR, the Department of Public Safety and Correctional Services, and the Department of Juvenile Justice.

Many separate areas of local, State, and federal law address substance abuse. Similarly, there are many separate statutes and regulations that address child welfare, neglect, and abuse. The integration of these two areas is not currently addressed, although two State substance abuse pilot projects are proposing the use of a coordinated approach to substance abuse. Chapter 368 of 1997 established a pilot program to address drug treatment of mothers of drug-exposed newborns in four local jurisdictions and DHR plans to initiate a pilot substance abuse program in July 2000 in three local jurisdictions for women with children in out-of-home placement or at imminent risk out-of-home placement . The pilot project will be capped at 130 families and will operate under a federal waiver that allows the State to spend foster care dollars on treatment and case management.

Background: Over the last 20 years, there has been a steady rise in reports to child protective service agencies of child abuse and neglect from homes with multiple problems. For many children, it is parental substance abuse that brings them to the attention of the child welfare system. Child welfare agencies are charged with ensuring that foster care cases are resolved in a timely manner and must also make every reasonable effort to reunite the family. When parental substance abuse is an issue, it is difficult to reconcile these two goals.

Substance abuse is involved in the majority of foster care cases in some urban areas. In 1999, approximately 44% of the mothers in drug treatment reported to be in treatment in order to retain or regain custody of their children. It is crucial for a child welfare worker to identify the characteristics associated with substance abuse to facilitate the development of interventions necessary to sort out and treat the multiple problems often exhibited by these families.

State Fiscal Effect: The Governor must include in the fiscal 2002 budget, and for all succeeding years, sufficient funds of \$10 million to ensure that at-risk parents and their children get coordinated prevention and treatment services, including substance abuse assessment, testing, and treatment on demand; \$5 million to ensure that each child of an at-risk parent receives the coordinated treatment needed to remediate any harm done by the parent's substance abuse; and \$1 million for incentives for child welfare and addictions personnel to achieve certain levels of expertise. An additional \$500,000 must be included in the fiscal 2004 budget for program evaluation.

Federal funding is expected to be available for approximately one-third of the costs for incentives, training, and coordinated treatment services. The federal share of the funds will total approximately \$2 million per year. Federal funding could be applied for to cover treatment costs as well, but the exact proportion cannot be reliably estimated at this time. In addition, expenditure savings on foster care would be realized if out-of-home placement duration is shortened or avoided entirely as a result of this bill, but the potential reduction in expenditures would depend on natural parent recovery rates which cannot be reliably estimated at this time.

The Secretaries of DHR and DHMH must develop protocol by December 1, 2000, submit a progress report by December 15, 2000, and enter into a Memorandum of Understanding by June 30, 2001. These tasks could be handled using existing resources.

DHR advises that 150 additional addictions specialists will be needed at a cost of approximately \$6.1 million in fiscal 2002 to meet the requirements of this bill. DHMH advises of the need for approximately \$200,000 in fiscal 2002 to train all welfare personnel in substance abuse recognition and to train all addiction treatment personnel in child welfare procedures, practices, and legal considerations. In addition, under this bill's provisions, substance abuse treatment for an estimated 7,592 parents (52% of the approximately 15,000 children in out-of-home placements) at an average cost of \$3,226 per slot could increase expenditures by up to \$24.5 million for fiscal 2002 and beyond. The Department of Legislative Services advises that this is considered to be a high-end estimate due to the fact

that an unknown percentage of those identified for treatment will not accept treatment services, a portion of participants will be eligible for Medicaid funding, and many of the parents involved have more than one child involved in the out-of-home placement process. These expenditure increases could be handled using the mandated funding included in this bill and eligible federal foster care funds if the State succeeds in obtaining a federal waiver to spend federal foster care funds on substance abuse treatment.

The program funding will be in addition to any funds appropriated for similar purposes in fiscal 2001.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene; Department of Human Resources; Child Protective Services, *Complex Challenges Require New Strategies*, GAO, 1997; The Governor's Task Force to Study Increasing the Availability of Substance Abuse Programs, *Interim Report*, December 7, 1999; Child Welfare, March/April 1999, *Caregiver Substance Abuse Among Maltreated Children Placed in Out-Of-Home Care*; Department of Legislative Services

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