



California Alliance
OF CHILD AND FAMILY SERVICES

RUSSIAN BRAVES NEW WORLD



The Overnight Revolution in Fiscal Responsibility for
Services to Vulnerable Children and Families

Your world is about to change

AB 3632
Transfer

Healthcare
Reform &
Parity

Realignment

California
economy

Federal deficit

Dramatically



This concludes the special effects

Thank you



Three + Two = Everything

1. Realignment of children's programs
 - ▣ Child welfare and foster care: 2011-12
 - ▣ Children's mental health (EPSDT): 2011-13
2. AB 3632 devolution into AB 114: 2011-12
3. Federal healthcare reform and mental health parity: 2010-14
- ▣ California's economy: no signs of recovery for 2+ years
- ▣ Federal debt reduction: 2011-2021

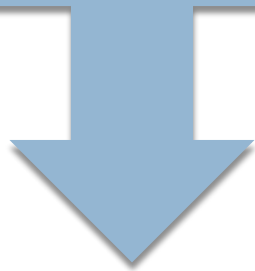


1. Realignment

- Responsibility for paying 100% of non-federal share of costs

Plus

- Sources of funding to cover costs including MHSA for EPSDT



- Move from **state** to **counties**
- No plan for MHSA revenue gap after 2011-12



What does that mean?

- The state no longer pays any share of cost for:
 - Foster Care including group homes, FFAs, ITFC, THPP and THP-+
 - EPSDT
 - CWS
 - KSSP
 - AAP
 - SB 163 wraparound
- Counties are 100% responsible for delivering services and paying non-federal share for them



2. AB 3632 Transfer

- Responsibility for paying for educationally-related mental health services

Plus

- Sources for funding – MHSA & Prop 98 re-bench – to cover costs



- Move from **state** to **SELPA**s via CDE
- No plan for MHSA revenue gap after 2011-12



What does that mean?

- Responsibility for assessing, providing and paying for educationally-related mental health services transfers from county mental health departments to local schools
- All statute and regulations regarding AB 3632 are expunged
- State and counties no longer pay any share of cost for educationally-related
 - Mental health services
 - Residential services



3. Healthcare Reform (ACA)

- ACA enacted March 2010
- Everyone in the US will be required to have health insurance by 2014
- Medi-Cal (Medicaid) will cover 30% more lower income families
- State and federal parity laws require same levels of coverage for mental health and substance abuse conditions as for physical health conditions
- Medical or health homes will be established to coordinate care for everyone



4. California economy

- Economy is stagnant
- Tax revenue lower than anticipated
- 2011-12 budget assumes additional \$4B in tax revenue
- Realigned dollars dependent on sales tax revenue
- Trigger cuts to be implemented if revenue is \$2B-\$4B less than projected



5. Federal Deficit

- Congressional “Super Committee” charged with identifying \$1.2T in debt reduction over 10 years, by Thanksgiving, or automatic spending cuts and tax increases go into effect
- Economists say plan for \$4T in debt reduction is needed over 12 years
- President has proposed plan for \$3T in debt reduction over 10 years
- Reductions in entitlement spending will likely be part of any plan



Therefore...

- The world as we know it has changed...and will continue changing.
- There is more that we don't know than do know.
- But, here's what we can say at this point...



Implications

- You likely have the same clients, but some new customers
 - SELPAs
 - Private 3rd party payers
- Your old and new customers want/need to spend less money and get better results
 - They may think that means doing it themselves
- There will be less call for foster care – those kids in care will present greater challenges
- There will be more call for community-based services and support



Implications

- There will be more call for mental health services in the both the public and private sectors
- Public (Medi-Cal) and private sector mental health coverage will look increasingly similar
- Mental health services will become increasingly part of health care



You will need to:

- Provide services that get good outcomes: measure them, know them, market them, use them to make you better
- Get more efficient: make your processes more cost and time efficient
- Respond quickly to changing customer needs
- Market your agency and services to new and old customers
- Stay true to your mission, vision and values



The Alliance will need to:

- Advocate to assure:
 - There is sufficient revenue for you to continue serving vulnerable kids and families;
 - That funding is protected and can't be used for other county or SELPA purposes.
- Modify our advocacy to re-focus on local decision-making.
- Help you market your services to new and old customers.
- Help you prepare your agency for changes ahead.
- Restructure to better support you.



Which leads us to the conference...

- David Lloyd: preparing your agency for Healthcare Reform and Parity
- Bill Abrams and Michael Mortenson: using litigation as an advocacy tool to improve services
- R.I.S.E. and CAPP: improving casework services to improve permanency outcomes for disproportionately high risk populations
- AB 12 implementation
- David Steinhart: changes in juvenile justice
- Wine and water tasting



And...

- Charlotte McCullough: performance contracting
- Paula Riggs: Integrated treatment of co-occurring disorders in youth
- Options in national accreditation: COA, Joint Commission, CARF
- Building Bridges Initiative
- Healthcare reform compliance for employers
- Trends in executive compensation

