

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: SB 171 - A8

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Authorizes Department of Human Services to remit payments for qualified residential treatment program services for certain children.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Oregon Judicial Department (OJD), Oregon Youth Authority (OYA), Department of Human Services (DHS)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate but anticipated to be minimal- See explanatory analysis.

Analysis:

SB 171, with the -A8 amendment, requires the Department of Human Services (DHS) to make program changes to align state law and practice with requirements under the federal Family First Prevention Services Act; most of these changes become operative July 1, 2020, which is the target date for implementing state services that meet the federal requirements.

The bill authorizes DHS to:

- Make payments to operators of child-caring agencies that are qualified residential treatment program (QRTP) for certain children.
- Place a child or ward in a congregate care residential setting in this state only if the setting is a child-caring agency and a qualified residential treatment program (QRTP).
- Place a child or ward in a congregate care residential setting that is not a QRTP in certain situations. This applies to placements occurring on or after September 1, 2019.

The bill prohibits DHS from:

- Placing a child or ward in a residential care facility or shelter-care home for more than 60 consecutive days or 90 cumulative days in a 12-month period; or if the residential care facility or shelter-care home also serves youth or youth offenders served by the county juvenile department or youth offenders committed to the custody of the Oregon Youth Authority by the court.
- Placing a child or ward in a homeless, runaway or transitional living shelter for more than 60 consecutive or 90 cumulative days in any 12-month period.

The bill requires DHS to:

- Provide specified information regarding out-of-state placements of children and wards on a website maintained by the department and updated monthly by September 1, 2019.
- Ensure that an independent, qualified individual assesses the strengths and needs of each child or ward the department places in a qualified residential treatment program.
- Document specified information in a child's or ward's case plan.
- Submit a report by September 1, 2019, jointly with the Oregon Health Authority (OHA), to legislative committees summarizing the Department's plan to develop appropriate in-state placements for Oregon children and wards; to minimize out-of-state placements of children and wards; and the potential impacts of policy and rate adjustments to implement the QRTP model in county juvenile programs and the Oregon Youth Authority.

Department of Human Services (DHS), Oregon Health Authority (OHA)

DHS and OHA reports that the agency will prioritize existing resources, including Office of Information Services resources, to comply with the provisions of the bill. However, the overall fiscal impact of the bill is indeterminate because of the potential need for temporary lodging. Children placed in non-QRTP residential care facilities or shelter-care homes are limited in how long they can stay to no more than 60 consecutive days or 90 cumulative days in a 12-month period. Based on data from February 1, 2017 to February 1, 2019, the median length of time for a shelter-care placement episode is about 36 days. Of the 189 children placed in these settings on average per year, about a quarter or 47 children per year may need temporary lodging once their time limit is exceeded. There will also be an impact on children who cannot be co-located in shelter or assessment facilities with children served by county juvenile departments or the Oregon Youth Authority. This smaller number of children may also require temporary lodging until placement capacity is increased. DHS notes that the overall increase in the number of children in temporary lodging could potentially cause Child Welfare to violate its Settlement Agreement. DHS reports that the actual costs of temporary lodging for children is indeterminate because this cost is difficult to calculate as the costs shift from a program-related cost for a placement to the cost of staff to supervise a child in the temporary lodging. These costs come through as overtime for Child Welfare staff, as well related costs for other supportive services, which are not specifically tracked as being related to a temporary lodging stay.

Oregon Youth Authority (OYA)

With passage of this bill, Behavior Rehabilitation Services (BRS) providers utilized by both DHS and OYA will be required to become qualified residential treatment programs (QRTP) in order to continue to serve both populations. Because the definition of a QRTP requires accreditation, additional staffing, including 24/7 nursing services and after-care support for at least six months following the child's discharge from the program, it is fully anticipated that after an initial BRS rate study, BRS rates will increase or add higher QRTP levels to compensate providers for the additional services to be provided. However, OYA cannot predict how residential treatment providers will respond to the QRTP requirements nor quantify the impact on BRS rates. OYA will absorb the cost of conducting a BRS rate review to help OYA better predict how OYA's residential treatment providers will respond to the QRTP requirements and better forecast how DHS and OYA youth placements will interact under the bills' requirements.

Oregon Judicial Department (OJD)

OJD anticipates minimal fiscal impact resulting from the bill's modification of requirements for permanency hearing for children in voluntary placement.