

State Executive Council for Children's Services

Executive Committee

**February 16, 2017
10:00 AM - 11:30 AM
Office of Children's Services
1604 Santa Rosa Rd.
Richmond, VA 23229**

AGENDA

1. Introductions
2. Approval of November 2016 Meeting Minutes
3. New SEC Member (Parent Representative) – Elizabeth O'Shea, Esq., McLean, VA filling the unexpired term of Eddie Worth
4. General Assembly Activity (Summary)
 - Governor's Introduced Budget for CSA
 - Budget Amendments Item 285 #1h and #1s – Private educational placements
5. Changes to DMAS Regulations (Certificate of Need process) – Effective date July 1, 2017
6. March SEC meeting agenda
 - Presentation on DJJ Transformation by Andy Block
 - Approval of first stage of policy making – OCS responses to audit findings
7. Finance and Audit Committee Update (meeting February 16, 2017 – 1:00 PM)
 - Policy on OCS responses to Audit Findings
 - Recent findings of non-compliance/recovery of state pool funds
 - Carroll County (ineligible services/self-reported)
 - City of Roanoke (use of non-Medicaid vendor/self-reported)
8. OCS Update
 - Hiring of new OCS Assistant Director – Start date March 25, 2017
 - Hiring status of additional audit staff
 - Redesigned Service Gap Survey
 - Upcoming New CSA Coordinator Academy – March 21 – 23
 - Upcoming CSA Annual Conference – April 18 – 20
 - Status of new LEDRS financial and data reporting system
 - FY2017 CSA expenditure status

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**State Executive Council (SEC) Executive Committee Meeting
Hanover Room, 1604 Santa Rosa Road
Richmond, VA 23229
November 17, 2016**

Attending:

William A. (Bill) Hazel, Jr., M.D., Secretary of Health and Human Resources
The Honorable Richard "Dickie" Bell, Virginia House of Delegates
Andrew Block, Director, Department of Juvenile Justice (DJJ)
Courtney Gaskins (*Youth for Tomorrow*) for Greg Peters, President and CEO, UMFS
Daniela Lewy, Executive Director, Governor's Children's Cabinet
Margaret Schultze, Commissioner, Virginia Department of Social Services (VDSS)
Eric Reynolds, Assistant Attorney General, Office of the Attorney General
Scott Reiner, Executive Director, Office of Children's Services (OCS)
Marsha Mucha, Administrative Assistant (OCS)

Absent:

Cindi Jones, Director, Department of Medical Assistance Services (DMAS)

Guests:

Janet Areson, Virginia Municipal League
Ashley Everett, Voices for Virginia's Children
Allison Gilbreath, Voices for Virginia's Children

Call to Order and Approval of Minutes

Secretary Hazel called the meeting to order at 10:00 a.m. and welcomed everyone. The minutes of the August 18, 2016 meeting were reviewed and approved without objection.

OCS Update

Mr. Reiner reported on the following:

- New OCS Business Manager has been hired to train under the current Business Manager, Chuck Savage, who will be retiring early next year. An additional auditor has also been hired. Both of the new hires started on November 10.
- The OCS IT manager and business management staff are conducting regional trainings on phase one of the new LEDRS system. – The new Local Expenditure, Data and Reimbursement System (LEDRS) was initiated for the 2017 CSA program year. As of July 1, 2016, the new reporting system combines data and expenditure reporting from localities into one report. A single submission process will become effective July 1, 2017.
- Projected expenditures (year to date status) are not available due to a delay in reporting of expenditures by localities. The delay is due in part to acclimation by localities to the new LEDRS reporting system.
- The reports due annually to the General Assembly have been submitted and receipt acknowledged.

Summary of General Assembly Requests

Mr. Reiner reported on the following:

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- Options for increasing the integration of children receiving special education in private day settings into their home school districts (*2016 Appropriation Act – Chapter 780, Item 285 M (i)*) were submitted and posted on November 1.
- Options for funding educational costs for students placed in psychiatric residential treatment facilities for non-educational reasons authorized by Medicaid (*2016 Appropriation Act – Chapter 780, Item 285 M (ii)*) were submitted and posted on November 1.
- Recommendations on the barriers to the use of special education wraparound funds have been presented to the Commission on Youth.

To date, there have been no questions or requests for additional information received on these three reports.

Mr. Reiner reported that he had been asked to present to the Senate Finance Committee. He noted that the Committee was made aware of the need for approximately \$59M in additional CSA sum-sufficient funding over the biennium. As a follow-up to his presentation, he will meet with Senator Dunnivant at the end of November.

Upcoming changes to DMAS/Magellan Certificate of Need (CON) Process

Mr. Reiner provided an update on the status of the changes to the CON process for all Medicaid eligible youth who are being referred for potential admission to a psychiatric residential treatment facility (PRTF) or therapeutic group home. Beginning January 2, 2017, assessments will be conducted by an Independent Assessment, Certification and Coordination Team (IACCT). Mr. Reiner further reported that localities have been provided the opportunity to contract with Magellan to provide these services.

During discussion, it was noted that CSA will continue to provide funding for services as duly authorized by the CSA process. Several members expressed continued concerns about the process and questions that still need to be addressed. Secretary Hazel asked that those questions be forwarded to him today.

At the conclusion of the discussion, Dr. Hazel asked that Magellan be invited to make a presentation at the December 15 SEC meeting. A Magellan representative will also be invited to attend future meetings.

Elimination of VICAP – Impact on SEC Policy 6.3

Mr. Reiner reported that elimination of the VICAP would change SEC policy 6.3, *Community-based Behavioral Health Services* adopted by the SEC on July 31, 2013. He presented amended language to the policy that would address the change.

Members discussed the wording “other qualified provider” and whether or not the licensed mental health professional (LMHP) providing the independent clinical assessment should have knowledge of the public system in order to be qualified to provide the service. After further discussion, it was suggested that Mr. Reiner and Mr. Reynolds address clarification of the language and make a determination and/or recommendation on whether or not the revision would qualify for an abbreviated public comment period under the recently adopted SEC policy.

Finance and Audit Committee Update

Mr. Reiner reported that, at the Finance and Audit Committee’s last meeting, members discussed considerations and issues regarding the CSA Denial of Funds policy. Mr. Reiner provided Executive

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Committee members with background information and the process currently utilized by CSA when findings are reported as a result of the audit process. The goal of establishing a policy would be to provide fair and consistent oversight which would be transparent, flexible, and provide program and fiscal accountability when audit findings are reported.

After further discussion, members agreed that development of the policy should move forward.

Outcome Committee Update – Mr. Reiner reported that work continues on the following:

- Data sharing with DJJ to identify CSA children/youth, under the age of 18, who exited the CSA system in 2015 and were subsequently arrested or rearrested within a one-year time period.
- Plans for OCS to join the Virginia Longitudinal Data Set (VLDS).

December SEC Meeting Agenda

Along with the Magellan presentation, Secretary Hazel asked that a Building Bridges Initiative presentation be added to the December meeting agenda.

Adjournment

There being no further business, the meeting adjourned at 11:25 a.m.

VIRGINIA STATE BUDGET

2017 Session

Budget Amendments - HB1500 (Committee Approved)

Bill Order » Item 285 #1h

Implementation Plan to Transfer CSA Funding for Students with Disabilities to DOE (language only)

Item 285 #1h

Health and Human Resources

Children's Services Act

Language

Page 268, after line 35, insert:

"N.1. The Office of Children's Services, in cooperation with the Department of Education, the Department of Social Services and the Department of Juvenile Justice Services, shall submit an implementation plan to transfer funding for services for the following targeted populations of children and youth to the Department of Education: (i) children and youth placed for purposes of special education in approved private school educational programs, previously funded by the Department of Education through private tuition assistance; and (ii) children and youth with disabilities placed by local social services agencies or the Department of Juvenile Justice in special education day schools, if the individualized education program indicates such school is the appropriate placement while living in foster homes or child-caring facilities, previously funded by the Department of Education through the Interagency Assistance Fund for Noneducational Placements of Handicapped Children; and (iii) school-aged children with disabilities pursuant to § 22.1-213 are placed by a local social services agency that has custody across jurisdictional lines in a group home in the Commonwealth and the individual's individualized education program (IEP), as prepared by the placing jurisdiction, indicates that a private day school placement is the appropriate educational program for such individual.

2. In developing the implementation plan, the Office of Children's Services, in cooperation with the Department of Education, the Department of Social Services and the Department of Juvenile Justice Services, shall solicit input from appropriate stakeholders including local education authorities and local governments to ensure the transfer of funding and any proposed budgetary and statutory changes meet legal requirements for the education of students with disabilities.

3. The Office of Children's Services, in cooperation with the Department of Education, the Department of Social Services and the Department of Juvenile Justice Services, shall determine the full amount of the Children's Services Act state pool expended for these populations and include recommendations on any necessary budgetary and statutory changes in the implementation plan. The implementation plan shall be reported to the Governor and the Chairmen of the House Appropriations and Senate Finance Committee by November 1, 2017. "

Explanation

(This amendment adds language directing the Office of Children's Services to submit an implementation plan in cooperation with the Department of Education, the Department of Social Services and the Department of Juvenile Justice Services, to transfer funding for certain target populations of children and youth served through the Children's Services Act to the Department of Education. The Office of Comprehensive Services, in cooperation with the Department of Education, the Department of Social Services and the Department of Juvenile Justice Services, shall solicit input from appropriate stakeholders and include recommendations on any necessary budget amendments and statutory changes in the plan for the 2018 General Assembly to consider.)

VIRGINIA STATE BUDGET

2017 Session

Budget Amendments - SB900 (Committee Approved)

Bill Order » Item 285 #1s

Private Day Options - Implementation Workgroup (language only)

Item 285 #1s

Health and Human Resources

Children's Services Act

Language

Page 268, after line 35, insert:

"N.1. The Office of Children's Services (CSA) in collaboration with the Virginia Department of Education (VDOE), and with assistance from the Department of Planning and Budget, shall convene a workgroup to assess the process and actions required to implement various options with regards to the growth of private day placements funded through CSA. The options shall include: (i) amending the CSA to transfer the state pool funding for students with disabilities in private day placements to the VDOE; (ii) the identification and collection of data on an array of measures to assess the efficacy of private special education day school placements; (iii) the identification of the resources necessary in order to transition students in private day school settings to a less restrictive environment; (iv) providing guidance to Local Education Agencies (LEAs) regarding the continuum of services which are necessary to appropriately meet the mandate that students are required to be educated in the least restrictive environment; and (v) an assessment of the Individual Education Plan (IEP) process as compared to federal requirements and consideration for seeking a waiver under the Individuals with Disabilities Education Act which would allow members of the CSA Family Assessment and Planning Team (FAPT) to participate in the IEP meetings for individual students in order to provide expanded multi-disciplinary input into the education planning process for students with disabilities.

2. The workgroup shall assess for each option: (i) funding impacts; (ii) necessary statutory or regulatory changes; (iii) and any other relevant actions necessary to implement the option. A report shall be submitted by October 15, 2017 to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees with specific recommendations on the actions necessary for implementation of each option for consideration in the 2018-20 biennial budget."

Explanation

(This amendment directs the Office of Children's Services, in collaboration with the Department of Education and the Department of Planning and Budget, to convene a workgroup to assess and determine the actions necessary to implement several options related to the growth in private educational placements paid for through the Children's Services Act (CSA). A report was issued in November 2016 detailing various options for the General Assembly to consider related to private day placements. This workgroup moves forward with the next step to determine how to implement each option for consideration to be included in the next 2018-20 biennial budget. In light of cost increases in recent years, various options are being considered to ensure appropriate alignment of decision making and the financial responsibility for private day placements.)

Reiner, Scott (CSA)

From: Eisenberg, John (DOE)
Sent: Wednesday, February 08, 2017 8:51 PM
To: Reiner, Scott (CSA)
Subject: Fwd: Just Saw This! Is it moving forward?

Sent from my iPhone

Begin forwarded message:

From: Judy Sorrell <judysorrell99@gmail.com>
Date: February 8, 2017 at 8:47:14 PM EST
To: John Eisenberg <john.eisenberg@doe.virginia.gov>
Subject: **Just Saw This! Is it moving forward?**

Dear Faison Families and Friends,

Private Special Education is Under Attack - You Must Act NOW!!

An initiative is currently being proposed in the Virginia General Assembly that would undermine the ability of parents to secure the appropriate special education placements and services for their children and limit the resources of local governments to pay for these needed services.

Language in the proposed Virginia State Budget would seek to move all state supported private special education funding from the Children's Services Act (CSA) to the Virginia Department of Education, to be allocated back to local school divisions to spend as they see fit. Once a locality's state allocation was spent, the burden of funding remaining special education services would be left entirely to the locality.

Unless you act now and let the State Budget conferees know your concerns about this proposition, the future of private special education could be in grave danger!

To make your voice heard, contact the House and Senate Budget Conferees and tell them you are opposed to the following budget amendments and tell them you oppose any efforts to shift special education funding away from the CSA and placing the funding burden on localities:

Tell the following Senators NO to Senate Budget Item 285 #1s!

Sen. Tommy Norment - Williamsburg
(804) 698-7503
email: district03@senate.virginia.gov

Sen. Emmett Hanger - Augusta
(804) 698-7524
email: district24@senate.virginia.gov

Sen. Janet Howell - Fairfax
(804) 698-7532
email: district32@senate.virginia.gov

Sen. Dick Saslaw - Fairfax
(804) 698-7535
email: district35@senate.virginia.gov

Sen. Steve Newman - Lynchburg
(804) 698-7523
email: district23@senate.virginia.gov

Sen. Frank Ruff - Mecklenberg
(804) 698-7515
email: district15@senate.virginia.gov

Tell the following Delegates NO to House Budget Item 285 #1h!

Del. Chris Jones - Suffolk
(804) 698-1076
email: DelCJones@house.virginia.gov

Del. Kirk Cox - Colonial Heights
(804) 698-1066
email: DelKcox@house.virginia.gov

Del. Steve Landes - Augusta
(804) 698-1025
email: DelSLandes@house.virginia.gov

Del. John O'Bannon - Henrico
(804) 698-1073
email: DelJOBannon@house.virginia.gov

Del. Tag Greason - Fairfax
(804) 698-1032
email: DelTgreason@house.virginia.gov

Del. Luke Torian - Prince William
(804) 698-1052
email: DelLTorian@house.virginia.gov

Please also call any and all legislators who you know and those who represent you and tell them to let their colleagues listed above to oppose these measures.

To have a timely and meaningful impact on this decision, you must act NOW!!!

Sincerely,

W. Brian McCann
CEO and President
The Faison Center

State Executive Council for Children's Services

Notice of Intent to Develop Policy (SEC Policy 2.4)

Title of Proposed Policy: Responses to Audit Findings with Regard to Children's Services Act (CSA) State Pool Funds (SEC Policy 4.7)

Summary: The proposed policy will provide direction to the Executive Director of the Office of Children's Services (OCS) when carrying out his/her duties in response to findings of non-compliance by local CSA programs under State Executive Council (SEC) Policy 4.6 (Denial of Funds). Such non-compliance addresses relevant federal or state law, regulation, SEC or participating agency policy. The proposed policy will delineate the nature of the OCS response to specific audit findings, including the denial of CSA state pool funds to a local government receiving reimbursement through the CSA. Such determinations to deny funds are subject to the Dispute Resolution Process found in SEC Policy 3.2.

Three levels of audit findings are proposed:

1. Findings resulting in the denial of funds on the first instance of non-compliance
2. Findings resulting in corrective action on the first instance of non-compliance and denial of funds on subsequent findings of non-compliance
3. Repeat findings resulting in prospective denial of funds until corrective action is implemented

Intent of Proposed Policy: The proposed policy will provide transparent and objective guidance regarding denial of State Pool funds to localities in response to audit findings as the Office of Children's Services carries out its responsibilities to provide administrative oversight of the implementation of the Children's Services Act as specified in the Code of Virginia and policies of the State Executive Council for Children's Services.

Date of SEC Action: March 23, 2017

Stage: Notice

Public Comment Period: March 27, 2017 – May 15, 2017

Date/Stage of Next SEC Action: June 15, 2017 / Consider approval for the Proposed Stage for a minimum of 60 days of public comment.

Public Comment will be accepted through the CSA website: www.csa.virginia.gov

Individuals wishing to be placed on the CSA Notification List should make such request via e-mail to csa.office@csa.virginia.gov