



Testimony before the District of Columbia Council
Committee on Health
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Public Hearing:
Proposed Fiscal Year 2012 Budget for the Department of Mental Health

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Good morning Chairman Catania and members of the Committee on Health. My name is Judith Sandalow. I am Executive Director of Children's Law Center ¹(CLC) and a resident of the District. I am testifying today on behalf of CLC, the largest non-profit legal services organization in the District and the only such organization devoted to a full spectrum of children's legal services. Every year, we represent 1,200 low-income children and families, focusing on children who have been abused and neglected and children with special health and educational needs. The children we serve have some of the most significant and complex mental health needs in the District, and my colleagues routinely cite the lack of appropriate mental health services as the greatest barrier to success our children face. I appreciate this opportunity to testify regarding the fiscal year 2012 budget of the Department of Mental Health (DMH).

The District is facing difficult economic times and it goes almost without saying that cuts need to be made. However, I am here to sound an alarm about the extreme harm some of the proposed cuts to the DMH budget will have for children and for the District. It is my practice to come to the Council with solutions. Although this time I cannot recommend other cuts from within the DMH budget, I do have recommendations about cuts within other agencies and revenue that would offset these cuts. Cuts should be smart and there are cuts in the proposed DMH budget that are not. They are shortsighted, will lead to inferior care for children and families and will cause the District more money than they save.

The story of two of our young clients illustrates this point. Andrew and Andrea were removed from their parents' home when they were four and five years old. Both children were suspended from pre-school, if you can imagine that, and were acting out in ways dangerous to two younger children in their foster home. Without mental health intervention, Andrea and Andrew would have been expelled from pre-school and begun the too familiar pattern of bouncing from foster home to foster home. Obviously, this would have been costly to the city and disastrous to

both children. Because we were able to secure intensive specialty mental health services, this disaster was averted. A year later, Andrew and Andrea are now succeeding in school and happy and stable in their home.

Too many children like Andrew and Andrea already go without necessary care. The proposed cuts to DMH's budget will result in even more children going untreated. Their behaviors will escalate until they are in crisis and end up in the emergency room, in juvenile detention, foster care or residential treatment. Importantly, the proposed cuts also undermine improvements to the mental health system which the legislation you recently introduced, the *South Capitol Street Tragedy Memorial Act of 2011*, seeks to achieve.

At the press conference for your bill, you noted that the District's legacy of failing to invest in youth behavioral health services and its lack of commitment to attendance in school created the conditions that led to the tragic South Capitol Street shooting. For too long we have underfunded our mental health system and it has indeed led to violence and also to many families struggling to find services for children who are unnecessarily suffering. When speaking about the potential costs of implementing the bill you noted that good prevention programs costs a fraction of the cost of incarcerating a child. You said you didn't intend to back down from the legislation despite what it might cost to implement. I strongly support those statements and hope we can count on that same commitment and energy to restoring these important funds to the children's mental health budget.

There are three proposed cuts in the DMH budget which will have significant negative consequences for children's services: cuts to Mental Health Rehabilitation Services (MHRS), cuts to the Assessment Center and \$2.5 million in funding through an intra-district transfer from CFSA. When considering any cuts to our core mental health services it's important to remember some stark statistics. Approximately 80,000 children are enrolled in the District's Medicaid program.² DMH has estimated that between 14-20% of children in the District have an emotional or behavioral disorder.³

And these percentages are much higher for children involved with the child welfare or juvenile justice system. DMH data from the first quarter of FY11 found that 73% of children that were removed from their home had mental health needs.⁴ National data finds that 67% of youth in the juvenile justice system have a diagnosable mental health disorder.⁵ Yet, DMH is serving just slightly over 5% of children in the District through its MHRS and Medicaid Managed Care Organization system.⁶ And these are children who are simply receiving at least one mental health service, not necessarily the correct treatment or all the services to which they are entitled or need to truly improve their health and quality of life. These are not the hallmarks of a system that can sustain more cuts.

The cut to MHRS is over \$3 million local dollars. DMH has not yet decided exactly how they will implement this cut. DMH leadership reports that they are considering implementing a benefit plan with caps on certain MHRS services.⁷ We are impressed with the thoughtfulness with which DMH is working to ameliorate the impact of this cut and their ideas for using this as a catalyst for improving assessments and levels of care. However, there is no way that a \$3 million funding cut can improve mental health services. By necessity, it will result in a large number of children failing to get the services they need to prevent the sort of mental health crises which lead to human tragedy and high financial costs.

Importantly, because many people who receive MHRS are Medicaid eligible, MHRS local funds serve as the 30% local Medicaid match.⁸ When MHRS funds are cut the District also loses the 70% federal Medicaid match that can't be drawn down; therefore, the impact of the \$3,160,000 cut is actually \$6,846,669 in terms of dollars lost to providers and the impact of services lost to children and families.⁹

Another key concern is the proposed \$300,000 cut to the Assessment Center, which provides mental health consultations and comprehensive psychiatric and psychological assessments

to the Family Court of D.C. Superior Court.¹⁰ As required by law, the Assessment Center conducts court-ordered assessments in child abuse and neglect, delinquency and child custody matters.¹¹

These mental health assessments provide judges with critically important information about physical, sexual and psychological abuse, abandonment, neglect, and attachment. When appropriate, psycho-educational and neuropsychological evaluations can also be completed. We understand that DMH hopes to recover a portion of this \$300,000 cut by charging fees to certain families in domestic relations cases who can afford to pay for assessments. While we support charging a reasonable sliding scale fee to those who can afford it, it is our experience that the Assessment Center largely serves low-income families and that wealthier families secure assessments through private clinicians. For this reason, we do not believe that a sliding scale will generate significant revenue. We urge the Committee to work with DMH to assess how much money reasonably could be generated through such a fee and ensure the difference between that and the proposed \$300,000 cut is replaced in the DMH budget.

The final major cut to children's mental health services is the elimination of \$2.5 million in funding from the Child and Family Services Agency budget. This money has historically been provided to DMH through an intra-district transfer. While we recognize this is not under the Committee of Health's direct purview, it will have a significant impact on DMH and children's mental health. Thus, we urge you to work with your colleagues on the Committee of Human Services to restore this critical funding. For several years, CFSA has sent this money to DMH to pay for mental health services for children in the child welfare system. In the past few years, DMH reports it has used this money to fund: the Assessment Center (\$200,000); the Choice Provider network; training for foster parents (per the requirements of the *LaShawn A.* lawsuit); psychiatric residential treatment facility diversion programs (funding for the Healthy Families/Thriving Communities Collaboratives); and direct evidenced-based services. Improving our array of

evidenced-based services is extremely important for all children in the District, not just children in CFSA custody, and I know it's of particular interest to this Committee as well. Without this money from CFSA, DMH reports it will not be able to expand Functional Family Therapy. It will also not be able to introduce Parent-Child Interaction Therapy or Child-Parent Psychotherapy for Family Violence, two highly anticipated services that were expected to be rolled out later this year.¹²

Many children enter foster care and remain in care too long due to the lack of high-quality mental health services. In December 2010, the *LaShawn A.* Implementation and Exit Plan issued by Judge Hogan specifically directed CFSA and DMH to review the availability of mental health services as identified in the 2007 Children's Mental Health needs Assessment and determine, based on current needs and capacity, the additional services that are required. In its answers to the Committee's oversight questions this year, DMH noted that Functional Family therapy needed to be expanded and that Parent-Child Interaction Therapy and Child-Parent Psychotherapy for Family Violence needed to be offered. The Court has ordered CFSA and DMH to have all identified services in place by August 2011.¹³ This funding cut makes this impossible.

The three proposed cuts I have discussed all undermine the efforts to improve the mental health system which you, Councilmember Catania, are seeking. If your *South Capitol Street Tragedy Memorial Act* passes and the expanded screening occurs there need to be sufficient high-quality services to which to refer children. The current MHRS and MCO system is only seeing one quarter of the children estimated to need services. Cutting more than \$3 million will only make services less available and may force providers to shut down completely.

These cuts also threaten the success of a second important goal of the *South Capitol Street Tragedy Memorial Act* – reducing truancy. You have rightly noted that it is important to figure out *why* each child is truant and solving the underlying problems causing his or her truancy. We already know that for many children an untreated mental health issue is keeping them from attending school

regularly. New reporting requirements, improved attendance committees or even vigilant and caring principals and teachers aren't going to be able to get this truant children to school if there are not enough accessible, high-quality mental health services to which to refer them. Many of these children's families would likely be excellent candidates for the very evidenced-based services which will be unavailable in the District due to CFSA eliminating its funding for children's mental health services.

I urge you to restore the cuts to DMH and work with the Human Services committee to ensure the intra-district funds from CFSA are restored. Thank you again for the opportunity to testify. I am happy to answer any questions.

¹Children's Law Center works to give every child in the District of Columbia a safe home, meaningful education and healthy life. As the largest nonprofit legal services provider in the District, our 75-person staff partners with hundreds of pro bono attorneys to serve 1,200 at-risk children each year. Applying the knowledge gained from this direct representation, we advocate for changes in the city's laws, policies and programs. For more information, visit www.childrenslawcenter.org.

² Department of Health Care Finance, *Monthly Enrollment Report* (January 2010). Non-SSI Children: 72,363; Specialized MA Children: 7,162

³ Christine Ferguson et al., The George Washington University, School of Public Health & Health Services, Department of Health Policy, *Mental Health Carve Out Assessment* at 2. Available in DMH's responses to the Health Committee's FY10 Oversight Questions, Question 71.

⁴ DMH Child & Youth Services Division, Data Presentation at DC Children's System of Care Committee (Feb. 23, 2011). DMH staff co-located at CFSA aim to screen all children initially removed from their homes or who re-enter foster care. In Oct-Dec. 2011, DMH screen 52 out of 103 eligible children. Out of these 52 children, 38 (73%) had screenings which indicated mental health needs.

⁵ Shannon Stagman & Janice L. Cooper, *Children's Mental Health: What Every Policymaker Should Know*, National Center for Children in Poverty, at 3 (April 2010).

⁶ Dennis R. Jones, Court Monitor, Report to the Court (*Dixon v. Fenty*), Exit Criteria 5 at 7 (January 27, 2011).

⁷ DMH (Steve Baron, Barbara Bazron and Michael Neff) discussed its plans for how to make this \$3 million cut at its Budget Briefing on April 8, 2011.

⁸ The breakdown of MHRS local versus MHRS Medicaid match spending is shown in lines 7820 and 7825 in Table RM0-4, DMH FY12 Budget E-45.

⁹ These calculations were verified by Michael Neff at the DMH budget briefing on April 8, 2011. The \$3,160,000 cut to MHRS is equally divided between MHRS local funding (\$1,580,000) and MHRS Medicaid match funding (\$1,580,000). When \$1,580,000 is cut in Medicaid matching funds, \$3,686,669 in accompanying federal funds are also lost. \$3,160,000 (proposed budget cut to MHRS) plus \$3,686,669 (federal funds DC will not draw down) totals \$6,846,669.

¹⁰ This \$300,000 cut is part of the \$900,000 cut to the Children and Youth Services Program noted in Table RM0-5, DMH FY12 Budget, E-47, "Reduce: Adjust funding for contractual service costs related to the Child and Youth Services Program." In a budget briefing on April 8, 2011, Barbara Bazron stated that the other \$600,000 reduction will be

achieved through: 1) \$300,000 cut to Children's National Medical Center's Emergency Room and; 2) a \$300,000 cut to the Primary Project early childhood program (this money is being replaced by federal block grant funds).

¹¹ DC Code §16-2315

¹² DMH stated how this CFSA cut would impact DMH services at its Budget Briefing on April 8, 2011. DMH's plans to roll out these new mental health services were discussed in its response to the Health Committee's FY10 Oversight Questions, Question 34.

¹³*LaShawn A. v. Fenty* Implementation and Exit Plan Section IV: 2010-2011 Strategy Plan, C: Goal: Child Well-Being. 15(d) Needs Assessment and Implementation at 45 (Dec. 17, 2010).