

LOUISIANA RECOVERY AUTHORITY

Social Services Block Grant Recommendations Resolution

DRAFT

February 20, 2006

Agenda Item # .: Resolution recommending priorities for Louisiana's Social Services Block Grant Hurricane Relief Funds.

EXECUTIVE SUMMARY

In the aftermath of the devastating 2005 hurricane season, the United States Congress issued a \$550,000,000 supplemental appropriation to the Social Services Block Grant. On Wednesday, February 8, 2006, the Secretary of Health and Human Services announced the distribution of funds among all 50 states and the District of Columbia.

The state of Louisiana was allocated \$220,901,534 in supplemental SSBG funds to meet the social service, behavioral health and health care needs of people affected by the hurricanes in the Gulf of Mexico in calendar year 2005 and lacking health insurance or other adequate access to care, and to help health care "safety net" providers restore and resume their operations.

The social, health, and economic consequences to Louisiana's citizenry from hurricane season are still being realized. Health and human services, more than ever before, are key components for the recovery and rebuilding of our citizens and communities. Children and adults who experienced the trauma of the hurricane season, combined with the ongoing economic and social challenges, have tremendous unmet mental health needs. Foster children, already facing notable trauma in their lives, now have the additional strains that could include relocation, adaptation to a new community, and distance from biological parents. Impacted citizens also face a complex and confusing myriad of local, state, and federal bureaucracy to meet their basic needs. Public health care systems in the greater New Orleans area are struggling with a sudden loss of patient fees to support medical education and public health care.

In light of these dire social and health needs, Governor Blanco issued her priorities for these funds. The Public Health and Health Care Task Force, in addition to the Human Service Task Force, were asked to provide feedback on these priorities. Their feedback is noted in the motion.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Louisiana Recovery Authority does hereby endorse the priorities for the SSBG funds as follows and urges the Joint Legislative Committee on the Budget to further these priorities:

- *The Department of Social Services shall be allocated \$34,200,000*
 - *\$17,600,000 for the provision of Child Welfare Services*
 - *\$14,400,000 for the provision of Child Care Services*

- \$ 2,200,000 for the monitoring and oversight of the entire SSBG allocation to Louisiana
- The Department of Health and Hospitals shall be allocated \$101, 701, 534
 - \$80,000 for the provision of Behavioral Health Services
 - \$21,701,534 for the provision of Preventive and Primary Care
- The Louisiana State University Health Sciences Center shall be allocated \$70,000,000
 - \$50,000,000 for the Health Sciences Center
 - \$20,000,000 for the Health Care Services Division
- The Louisiana Family Recovery Corps shall be allocated \$15,000,000

BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority requests that in the event alternative funding sources for the needs of the LSU-Health Science Center and LSU-Health Care Services Division are identified, that the remaining SSBG funds be reported to the Human Services and the Public Health & Health Care Task Forces for possible recommendations for redistribution to appropriate priority areas.

BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority requests the Department of Health and Hospitals to prioritize children's mental health treatment in their mental health funds.

GOVERNOR BLANCO'S PRIORITIES FOR LOUISIANA'S SOCIAL SERVICES BLOCK GRANT (SSBG) FUNDS

In the aftermath of the devastating 2005 hurricane season, the United States Congress issued a \$550,000,000 supplemental appropriation to the SSBG. On Wednesday, February 8, 2006, the Secretary of the US Department of Health and Human Services announced the distribution of funds among all 50 states and the District of Columbia.

The state of Louisiana was allocated \$220,901,534 in supplemental SSBG funds to meet the social service, behavioral health and health care needs of people affected by the hurricanes in the Gulf of Mexico in calendar year 2005 and lacking health insurance or other adequate access to care, and to help health care "safety net" providers restore and resume their operations.

Governor Kathleen Babineaux Blanco has issued her priorities for these funds as follows:

- I. The Department of Social Services shall be allocated \$34,200,000.
 - A. \$17,600,000 for the provision of Child Welfare Services
 - a. \$14,400,000 for the provision of Child Care Services
 - b. \$ 2,200,000 for monitoring and oversight of the entire SSBG supplemental

- II. The Department of Health and Hospitals shall be allocated \$101,701,534.
 - a. \$80,000,000 for the provision of Behavioral Health Services
 - b. \$21,701,534 for the provision of Preventive and Primary Care

- III. The Louisiana State University Health Sciences Center shall be allocated \$70,000,000.
 - a. \$50,000,000 for the Health Sciences Center
 - b. \$20,000,000 for the Health Care Services Division

- IV. The Louisiana Family Recovery Corps shall be allocated \$15,000,000

**GOVERNOR BLANCO'S PRIORITIES FOR LOUISIANA'S
SOCIAL SERVICES BLOCK GRANT (SSBG) FUNDS**

I. Department of Social Services **\$34,200,000**

A. Child Welfare Services **\$17,600,000**

Nearly 1900 foster children lived in the impacted areas of Katrina. In total, approximately 73% of the foster care population lived in the Katrina and Rita impacted areas. Louisiana currently has nearly 300 foster children displaced out of state. Thus, significant unexpected travel expenses have been and will continue to be incurred by the state. Over 50% of the biological parents of foster children from the greater New Orleans area are displaced out of state. 56% of the therapeutic foster homes (highly trained foster parents) were displaced and are not currently available for placement. With this void, the next level of placement available is residential care and this is exponentially more expensive. Nearly 31,463 physical case records for child support enforcement were completely destroyed by Hurricane Katrina. Lost documents include legal documents as well as "life books" of foster and adopted that document their lives and history. Many individuals need to be located by DSS for the purposes of establishing child support or locating biological parents of foster children.

- Foster Care, Adoption, Prevention, Intervention and Protective Services in Child Welfare (\$15,500,000)
Post-disaster stress usually brings an increase in abuse and neglect and these funds will be used to provide services to prevent an increase in out-of-home placements. Services could include anger management, parenting skills, counseling, etc. Visitation expenses include travel for the foster child and foster parent/caretaker from their displaced location to the birthparent's location, lodging, and meals during the travel. This includes travel both within and outside of Louisiana. It is estimated that 2/3 of impacted children lost at least a significant portion or all of their personal belongings that have yet to be replaced. These funds could be used in this arena. These funds could be used to provide for independence programs for children aging out of foster care and will likely have greater needs for transitional assistance than is typically provided. These funds could be used for foster care reunification services. After most disasters, there is an evidenced increase in abuse, neglect as well as disruptions in foster care. Such funds could be used to stabilize placements and prevent disruptions by providing family services, respite care, counseling, parenting classes, etc.

- Document Imaging System (\$1,800,000)
This would allow DSS to maintain a digital image of critical legal documents. Our prioritization would be digitally capturing information in offices south of I-10 prior to next hurricane season. In addition to benefiting children's records in OCS, this technology could also be used in the arena of child support to further children's well-being.

- Postal Service Database Interface (\$307,500)
Database would be used to locate parents (birth and foster) who have been displaced by the storm for the benefit of child welfare and child support case management.

B. Child Care Services

\$14,400,000

A Quality Rating System has proven successful in a number of states, and early learning has been recognized as a critical key to improvements in child development. Statewide, 80% of child care providers are operating compared to pre-storm levels: Only 15% of child care providers in Orleans are open, St. Bernard has no centers open. Calcasieu has 80% of centers opened. Approximately 275 centers that were licensed prior to the storms have not indicated to DSS that they are open. Department of Education reports children are moving back faster than anticipated. All the supports, including childcare supports are critical to reestablishing a workforce to strengthen our economy. For every dollar spent in the child care sector, \$1.72 is returned to the economy.

- Quality Initiatives (\$9,700,000)
Quality initiatives include affordability of care for parents, compensation of care for providers and a Quality Rating System.
- Office of Family Support Repair and Improvement (\$4,700,000)
The Office of Family Support Repair and Improvement initiative will assist damaged childcare facilities and will target centers in the disaster areas. We estimate that the cost for repair will average \$20,000 per center and that the \$4.7 million could serve 235 centers. The requested level of funding will assist approximately 50% of the Class A centers that were in operation in the disaster parishes prior to the hurricanes.

C. DSS – Wide Services

\$2,200,000

DSS will be held accountable by the Federal Government for the administration of over \$220 million one-time block grant funds. Funding will be required for monitoring, oversight, auditing and federal reporting needed for SSBG fund utilization.

II. Department of Health and Hospitals

\$101,701,534

A. Behavioral Health Services

\$80,000,000

Funds shall be used to restore and expand mental health services, substance abuse treatment and prevention services and developmental disability services as follows:

- **Immediate Intervention - Crisis Response System** (\$37,000,000)
Inappropriate use of the public hospital emergency departments by individuals with mental health disorders has been of concern in Louisiana for many years. Since the hurricanes, this problem has been exacerbated due to the reduced numbers of acute and intermediate care psychiatric beds. The crisis response system will alleviate emergency room backlogs and decrease over-reliance on hospitalization by use of a range of specialized crisis services including mobile teams and crisis intervention units.
- **Substance Abuse Treatment and Prevention** (\$8,000,000)
It is expected that of the 500,000 residents in the areas that were impacted by Katrina and Rita, 25-30% of these individuals who have been exposed to severe trauma and 5-10% of those who have been exposed to moderate trauma will present with clinical symptomatology for abuse or dependence of alcohol and/or drugs. This has occurred within 6 – 9 months following other recorded disasters. The increased demand for services is in addition to an already overwhelmed service delivery system.
- **Behavioral Health Services for Children and Adolescents** (\$18,000,000)
There is a significant underutilization of mental health services by children and adolescents. Barriers to utilization include lack of adequate insurance coverage, lack of transportation because of poverty and/or distance, lack of behavioral health providers, and cultural stigma related to behavioral health problems. Early identification of problems and integration of services in the schools will provide the opportunity to prevent many of the societal problems associated with failing in school.
- **Preventing or Reducing Inappropriate Institutional Care** (\$7,000,000)
Louisiana's already poorly balanced system of care for individuals with developmental disabilities relied even more heavily on institutional care services immediately following the hurricanes. Efforts must be made to transition people from institutional settings where appropriate and to ensure that people already in community based settings can remain so wherever it is safe and financially appropriate. In areas outside of the metropolitan New Orleans area, there has been increased demand for case management and crisis intervention services to assure that community based placements can be maintained.
- **Behavioral Health Program Restoration and Resumption** (\$10,000,000)
In order to expand service delivery options there must be a restoration of existing programs and services that have been reduced or suspended in the aftermath of the hurricanes. Once core services are restored, recovery and expansion services and programs can be implemented.

B. Preventive and Primary Care

\$21,701,534

Funds shall be used to restore and develop comprehensive and integrated primary, preventive and behavioral health care services, with an emphasis on restoring safety net services for the uninsured and underinsured as follows:

- **Health Care Work Force**

Immediately following Hurricane Katrina, the University of North Carolina at Chapel Hill estimated that almost 6,000 active, patient-care physicians along the Gulf Coast were dislocated by the storm. Over two-thirds – 4,486—of those were in the three central New Orleans parishes that were evacuated, which constitutes the largest single displacement of doctors in U.S. history. The study also estimates that over 35% of the dislocated physicians in the three central New Orleans parishes are primary care physicians. The loss of medical manpower in hurricane-affected areas has created a critical shortage of physicians all across south Louisiana, especially in heavily affected areas, which has impacted our ability to provide critical primary, preventive and behavioral health services. Similar shortages are occurring with nurses and other licensed and trained health care providers.

- **Operational Tools**

In addition to restoring the health care workforce displaced by the hurricanes, there are certain operational tools needed to reduce high emergency room costs and improve health outcomes by focusing on providing quality, community-based, integrated outpatient primary care and behavioral health care services. Such operational tools include diagnostic and detection equipment, lab equipment, and other medical supplies or devices needed to provide evidence based quality preventive and primary care.

III. Louisiana State University Health Sciences Center

\$70,000,000

A. LSU Health Sciences Center (HSC) – New Orleans

\$50,000,000

The various schools that comprise HSC-NO provide direct health care services as a key component of its educational mission including:

- Primary care clinics and practice by School of Medicine Faculty, which includes medical, mental health, dental, nursing and allied health practitioners.
- Residents at the state's charity hospital clinics both in and outside of New Orleans, which have experienced a significant increase in patients since the hurricanes.
- Residents and faculty temporarily placed at many other hospitals around the state are providing direct care as well as continuing their education.
- Nursing programs are critical because of the nursing shortage and because effective primary and preventive care models rely even more on qualified nurses.
- Behavioral and clinical services through its Juvenile Justice Program for youth involved with the state's youth correctional system.
- Cancer Control programs for prevention and early detection, especially for underserved or uninsured populations.
- HIV/AIDS services, including detection, treatment and education. HSC staffs the charity hospital clinics where Ryan White HIV medical care and services are delivered.
- Through allied health school, direct supports, education and advocacy for disabled children and adults and their families.

Funds allocated to LSU – HSC would be used as follows:

- Keep the Healthcare workforce intact by retaining faculty and residents.
- Set up primary care clinics across the city with funding for salaries for dentists, physicians, nurses and allied health personnel.
- Expand capabilities to address psychiatric needs in New Orleans and surrounding areas.
- Support our General Dentistry Residency, Oral and Maxillofacial Surgery Residency, and Oral Medicine programs which provide preventive and primary care to the uninsured at multiple sites in the state.
- The School of Allied Health Professions at LSUHSC-New Orleans is a primary source of graduate level practitioners in the areas of Physical Therapy, Occupational Therapy, Speech and Language Pathology, Audiology, Medical Technology, Cardiopulmonary Technology, and Rehabilitation Counseling for New Orleans and the state of Louisiana. It is critical that we continue to prepare an adequate number of allied health professionals who can function in primary, secondary, and tertiary care.
- Resume Early Intervention Institute and the Human Development Center direct service, consultative, and advocacy programs for individuals with disabilities. Reestablishing these services will ensure that we maintain high-quality health care educational experiences for individuals who work with these citizens who represent a portion of our population that is typically uninsured, underserved, and at the greatest risk for developing physical and mental problems.

B. LSU Health Care Services Division (HCSD)**\$20,000,000**

HCSD's health care system in New Orleans and at its other seven locations around the state are the primary safety net providers for the uninsured and in many instances those displaced from New Orleans. In New Orleans, HCSD has been a critical participant in day-to-day care, including urgent and emergency care.

Funding to the Health Care Services Division in the current fiscal year will enable the Division to continue providing the following services:

- The enhancement of primary care services at the regional hospitals to accommodate the population shifts which have occurred. This has and will enable the continuation of the Disease Management Programs which provide preventative care by appropriate management of the patients through education and provision of medications.
- The patient pharmaceutical procurement program which has been highly successful in matching needy patients with low cost medications that are essential to proper management of such conditions as diabetes, hypertension, asthma, HIV and asthma which have the effect of preventing further and or as rapid development of the disease.
- Provide needed financing for eight neighborhood health units currently under development for placement in New Orleans. While it is anticipated that FEMA will provide financing for the capital assets needed the operational costs are to be borne by MCLNO. The units are to be placed in proximity to the neighborhoods where FEMA trailer parks are scheduled to be erected. We have been working in conjunction with FEMA and others relative to this operation.
- Continued funding of the EMED currently at the New Orleans Convention Center. In this instance as well the Federal Government has provided the majority of the capital costs but the operational costs remain the responsibility of MCLNO. The operation has been seeing approximately 175-200 patients per day.
- Funding for the Level I Trauma Service anticipated to operate at the Elmwood Hospital location. Another circumstance where FEMA is expected to pay the capital costs and MCLNO will provide the operational costs. Much needed asset for the community that the Level I Trauma Service be re-established as the population returns.
- Provide the HCSD Hospitals with the ability to continue its current level of support for Mental and Behavioral Health Programs. Enhanced demand for these services and the reduced availability of services which has resulted shutdown of the MCLNO unit is reflected in the increased numbers of mental health patients being cared for in the HCSD and private hospital Emergency Departments due to the lack of ability to transfer these patients to an Office of Mental Health facility.

IV. Louisiana Family Recovery Corps.

\$15,000,000

Hurricanes Katrina and Rita devastated the coast of Louisiana and created an unprecedented need for a comprehensive humanitarian response. The Louisiana Family Recovery Corps (LFRC), an independent non-profit organization, was created to mobilize and coordinate humanitarian services to displaced Louisiana families in the wake of these disasters. The goals of the LFRC include:

- Ensuring comprehensive services delivery for citizens impacted by the hurricanes.
- Coordinating humanitarian disaster relief to mobilize resources, identify unmet needs and reduce duplication.
- Centralizing management of information regarding humanitarian relief efforts.

The LFRC has been awarded \$32.7 million from the TANF¹ Emergency Response and Recovery Program to deliver comprehensive case management and direct services to displaced Louisiana families with dependent children. The LFRC has contracted with Louisiana-based non-profit organizations to deploy trained individuals (“Family Liaisons”) to do the following:

- Identify and establish contact with displaced Louisianans located in temporary housing situations across the state
- Develop an individualized recovery plan and refer families to available disaster relief services
- Follow-up through long term, one-on-one relationships to ensure families receive the services they need
- Provide direct emergency assistance in human services where resources have been depleted

Approximately 70% of the LFRC funds are used to pay for direct human services and 30% of LFRC funds go to case management services. In order to ensure families receive long-term, intensive care and assistance, LFRC caseloads are limited to 25 families per Family Liaison. The initial TANF funding will allow LFRC to serve approximately 7,000 families (estimated 21,000 individuals) over the next 9 months.

Due to restrictions of the TANF funding in limiting LFRC services to families with dependent children, it is imperative that LFRC secures additional funding to serve non-TANF eligible families to enable the Corps to coordinate and deliver services to all displaced residents, regardless of their family composition. The SSBG funds allocated to LFRC shall be used to provide case management and direct services to non-TANF eligible displaced families in Louisiana and as such will deliver the following returns:

- At a cost of approximately \$4,500 per family (30% case management & 70% direct services), it is estimated that LFRC could serve an additional 3,100 families (9,300 individuals) with case management and direct emergency services – bringing the total LFRC case load to over 10,000 families (30,000 individuals.)
- An additional 50 Family Liaisons delivering comprehensive services to displaced Louisiana citizens. Additional Family Liaisons will be deployed in coordination with UMCOR to handle caseloads that are not able to be already served by Katrina Aid Today case workers.

¹ The TANF program (Temporary Assistance for Needy Families) stipulates several restrictions specifying who can be served by the program. TANF eligibility is limited to families with dependent children whose household income is less than 200% of the federal poverty guidelines.