



## **Investing in Service Integration—A Model for Success** **Breaking Down Funding Silos to Create Client Focused Systems of Care**

### **Defining the Issue**

In response to the Great Depression, the federal government passed the Social Security Act of 1935 to address the impact of a devastating economic downturn on families throughout the country. This act also marked the most significant government intervention to provide support to struggling families and children in United States history. Prior to the Social Security Act, services to children and families were primarily funded by churches and independent organizations supported by generous donors.

In the 76 years since the passage of the Social Security Act, the role of government in funding programs aimed at protecting children and supporting families has steadily grown. Many federal programs are administered through the states requiring them to match federal dollars with state funding based on defined formulas. Over the years many large complex centrally driven service systems have evolved, designed to protect children and remediate or prevent social and economic problems that impact a child's safety and ability to succeed in life.

Services are typically funded through narrowly defined "categorical" funding streams that require funds be spent only on a predefined problem such as substance abuse, mental health, out of home foster or group care, etc. Each funding stream has separate administrative systems with finance and contract managers, monitors, and program specialists. Each system has numerous rules to ensure that dollars appropriated are well spent and that specific outcomes are met. Today programs that address child welfare alone are spread across 40 separate programs. (The Future of Children, 2002)

In excess of \$400 billion is awarded annually through more than 1,000 grant programs offered by the federal government. According to the Department of Health and Human Services, just one of their programs, the Administration for Children and Families is responsible for implementing twenty-two acts of legislation which authorize more than sixty programs, distributed among thirty-five budget activities. (HHS, ACF, 2005)

Children and families today live in a complex world and face many challenges. Inadequate housing, unemployment, substance abuse, domestic violence, poor health and mental illness are all factors impacting the safety and well being of children and families. Our current funding, which addresses these issues separately, makes it challenging to develop and implement a comprehensive solution for families that will truly assist them in becoming successful and independent.

### **Providing the National Context**

Adopting a flexible, integrated approach to helping children and families requires a major paradigm shift. Over time, separately funded service systems have had to compete for funding, forcing them to focus on one-dimensional service delivery to preserve their financial support. Integrating services and

creating flexible funding challenges conventional thinking but perpetuating the existing system is cumbersome, expensive, and at times, counter-productive.

The power of flexible funding and improved service integration has been clearly demonstrated by the significant improvement in outcomes as a result of Florida's Title IV-E waiver granted in 2006. Growing numbers of children living in out of home care, increasingly complex risk profiles and service needs and federal limitations on the use of Title IV-E funding led to the development of flexible funding waivers. Without a waiver, states can only use Title IV-E funding to support placements for children removed from their families. Under the waiver, Florida was granted the flexibility to provide a range of services to children in their own homes.

The results have been dramatic. In just three years, Florida reduced the number of children in out of home care by 32%. (Jordan, 2009) Florida broke its record for adoptions for three years in a row. The rate of re-abuse of children within six months of their case being closed was cut in half from 2006 to 2007. (Jordan, 2009) Without an extension of the waiver, however, Florida will lose its' flexibility as the waiver expires at the end of June 2012. (Senator Nelson, 2009)

### **Why is this a Policy Priority for CHSA?**

Children's Home Society of America (CHSA) asserts that comprehensive reform is needed to provide flexible and comprehensive services that will lead to achieving our national goal of ensuring the safety of children in their own homes and communities. It is imperative for our nation that we transition from a complex maze of separate and single focused service delivery systems toward a more holistic system offering flexible assistance to best ensure that our children will be safe and able to become productive and contributing citizens.

CHSA contends that we will realize significant improvements in the health and well being of our children, resulting in stronger families and neighborhoods, and a decrease in homelessness, substance abuse, and child abuse and neglect with the following proposed reform efforts:

### **Recommended Action Steps:**

1. The Department of Health and Human Services should extend existing IV-E waivers that are demonstrating significantly improved child and family outcomes and capitalize on the renewed waiver authority recently granted by Congress (September 2011).
2. Change federal law to grant all states the flexibility for IV-E funding as outlined in the Florida IV-E waiver.
3. Create new funding waiver opportunities that would be broader in scope and go beyond just IV-E flexibility to include funding of mental health and substance abuse services, housing, and job development, etc.
4. Protect the investment in children and families by requiring states to maintain a defined level of funding similar to existing IV-E waiver's.
5. Provide incentives to states by building a formula for increased support over time into the funding model.