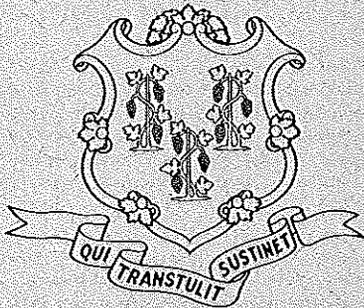


Parent Deinstitutionalization Subsidy Aid Pilot Program

Connecticut
General Assembly



LEGISLATIVE
PROGRAM REVIEW
AND
INVESTIGATIONS
COMMITTEE

SUNSET 1983

Volume IV - 20
January 1983

CONNECTICUT GENERAL ASSEMBLY

LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

The Legislative Program Review and Investigations Committee is a joint, bipartisan, statutory committee of the Connecticut General Assembly. It was established in 1972 as the Legislative Program Review Committee to evaluate the efficiency and effectiveness of selected state programs and to recommend improvements where indicated. In 1975 the General Assembly expanded the Committee's function to include investigations and changed its name to the Legislative Program Review and Investigations Committee. During the 1977 session, the Committee's mandate was again expanded by the Executive Reorganization Act to include "Sunset" performance reviews of nearly 100 agencies, boards, and commissions, commencing on January 1, 1979.

The Committee is composed of twelve members, three each appointed by the Senate President Pro Tempore and Minority Leader, and the Speaker of the House and Minority Leader.

1981-82 Committee Members

Senate

Carl A. Zinsser, Cochairperson
M. Adela Eads
John C. Daniels
Nancy L. Johnson
Margaret E. Morton
Amelia P. Mustone

House

Joseph H. Harper, Jr., Cochairperson
William J. Cibes, Jr.
J. Peter Fusscas
Carol A. Herskowitz
Dorothy K. Osler
William J. Scully, Jr.

Committee Staff

Michael L. Nauer, Ph.D., Director
Anne E. McAloon, Program Review Coordinator
George W. McKee, Sunset Review Coordinator
Carrie E. Vibert, Staff Attorney
L. Spencer Cain, Program Analyst
Catherine McNeill Conlin, Program Analyst
Debra S. Eyges, Program Analyst
Jill E. Jensen, Program Analyst
Michael O'Malley, Program Analyst
Gary J. Reardon, Program Analyst
Lillian B. Crovo, Administrative Assistant
Mary Lou Gilchrist, Administrative Assistant

Staff on this Project

Kenneth L. Levine, Principal Analyst

Legislative Office Building, 18 Trinity St., Hartford, CT 06115 (203) 566-8480

SUNSET REVIEW 1983

PARENT DEINSTITUTIONALIZATION SUBSIDY AID
PROGRAM

VOL IV - 20

JANUARY 1983



TABLE OF CONTENTS

SUMMARY.....	iii
I. INTRODUCTION.....	1
Purpose and Authority for Sunset Review....	1
Methodology.....	2
II. BACKGROUND.....	3
Legislative History.....	3
Organizational Location, Power and Duties..	3
Fiscal Information.....	4
III. PROGRAM OPERATION.....	5
IV. ANALYSIS AND RECOMMENDATIONS.....	9



PARENT DEINSTITUTIONALIZATION SUBSIDY AID PILOT PROGRAM

Summary

In 1981 the General Assembly passed Public Act 81-389 establishing the Parent Deinstitutionalization Subsidy Aid Pilot Program. The program was placed in the Department of Human Resources (DHR) to provide subsidies for parents of physically handicapped or developmentally disabled children who are institutionalized or at risk of being institutionalized so that the children can return to or remain in the home. Funds totaling \$20,000 were appropriated for the program for FY 1981-82. An additional \$21,840 was appropriated for FY 1982-83.

Statutory criteria for determining the amount of the subsidy include the severity of the handicap or disability, income and assets of the child and parent(s), and extraordinary costs related to maintenance of the child. The amount cannot exceed 75 percent of the current cost of foster care maintenance established by the Department of Children and Youth Services (DCYS). Only parents who are ineligible for other forms of public assistance can receive subsidy aid under this program.

The act establishing the program became effective July 1, 1981; regulations implementing the program became effective March 19, 1982. Department Bulletin No. 30, including guidelines similar in content to the requirements of the regulations, a social study guide, an application form and an agreement, became effective April 1, 1982. The regulations and bulletin include parental eligibility criteria, the benefit determination process, requirements concerning the review and evaluation of child care, and procedures for hearings requested by parents concerning proposed reductions or terminations of subsidy aid.

On May 25, 1982, and June 18, 1982, an evaluation team, which was selected by the commissioner of human resources to make recommendations to him concerning applications for aid, held meetings to review applications. Total subsidies of \$20,000 ranging from \$754 to \$2,000, were recommended by the team for 14 cases, all of which involved a child at risk of being institutionalized. The recommendations were approved by the commissioner of human resources.

Since the act creating the program established a sunset termination date of July 1, 1983 unless reestablished by the legislature, the Legislative Program Review and Investigations

Committee was required during the latter part of 1982 to review a program that became effective July 1, 1981, and needed regulations (effective March 19, 1982) to be implemented. When the committee met to make recommendations concerning the program, only 14 families had been selected for subsidy aid and the appropriation for the program had just been expended. Therefore, the use and adequacy of the subsidy funds could not be determined. In addition, demand for the program was still unknown. While 48 applications had been received by May 25, 1982, 59 had been received by June 17 and 70 had been received by August 18. Staff and administrative costs also could not be determined because they are a function of the unknown demand for the program.

Since the program has not been in existence for a length of time deemed sufficient by the committee for it to make an informed decision on whether the program should be terminated, modified or continued, *the Legislative Program Review and Investigations Committee recommends that the program be continued at no less than the present funding level with the sunset date postponed until July 1, 1985.*

The committee found that all families selected for subsidy aid had a child at risk of being institutionalized rather than a child who was institutionalized. The committee is concerned about the broadness and subjective nature of the term "at risk". Therefore, *the Legislative Program Review and Investigations Committee recommends that both the criteria for determining the children at risk of being institutionalized and the extent to which clients are in fact at risk be examined at the time of the 1985 sunset review.*

INTRODUCTION

Purpose and Authority

Chapter 28 of the Connecticut General Statutes provides for the periodic review of certain governmental entities and programs and for the termination or modification of those which do not significantly benefit the public health, safety, or welfare. This law was enacted in response to a legislative finding that a proliferation of governmental entities and programs had occurred without sufficient legislative oversight.

The authority for undertaking the initial review in this oversight process is vested in the Legislative Program Review and Investigations Committee. The committee is charged, under the provisions of Section 2c-3 of Chapter 28, with conducting a performance audit of each entity or program scheduled for termination. This audit must take into consideration, but is not limited to, the four criteria set forth in Section 2c-7. These criteria include: (1) whether termination of the entity or program would significantly endanger the public health, safety, or welfare; (2) whether the public could be adequately protected by another statute, entity, or program or by a less restrictive method of regulation; (3) whether the governmental entity or program produces any direct or indirect increase in the cost of goods or services and, if it does, whether the public benefits attributable to the entity or program outweigh the public burden of the increase in cost; and (4) whether the effective operation of the governmental entity or program is impeded by existing statutes, regulations or policies, including budgetary and personnel policies.

In addition to the criteria contained in Section 2c-7, the Legislative Program Review and Investigations Committee is required, when reviewing regulatory entities or programs, to consider, among other things: (1) the extent to which qualified applicants have been permitted to engage in any profession, occupation, trade, or activity regulated by the entity or program; (2) the extent to which the governmental entity involved has complied with federal and state affirmative action requirements; (3) the extent to which the governmental entity involved has recommended statutory changes which would benefit the public as opposed to the persons regulated; (4) the extent to which the governmental entity involved has encouraged public participation in the formulation of its regulations and policies; and (5) the manner in which the governmental entity involved has processed and resolved public complaints concerning persons subject to review.

Methodology

The Legislative Program Review and Investigations Committee's sunset review process is divided into three phases. The initial phase focuses on collecting quantitative and qualitative data related to each entity's background, purpose, powers, duties, costs and accomplishments. Several methods are used by committee members and staff to obtain this information. These include: (1) a review of statutes, transcripts of legislative hearings, entity records (e.g., minutes, complaint files, administrative reports, etc.), and data and statutes of other states; (2) staff observation of meetings held by each entity during the review period; (3) surveys of selected persons and groups associated with each entity; (4) formal and informal interviews of selected individuals serving on, staffing, affected by or knowledgeable about each entity; and (5) testimony received at public hearings.

During the second phase, the staff organizes the information into descriptive packages and presents it to the committee. The presentations take place in public sessions designed to prepare committee members for the hearings, identify options for exploration and alert entity officials to the issues the committee will pursue at the hearings.

The final step of the review involves committee members and staff following up on and clarifying issues raised at briefings and public hearings. During this period, the staff prepares decision papers and presents recommendations to the committee. The committee, in public sessions, then debates and votes upon recommendations for the continuation, termination or modification of each entity.

BACKGROUND

Legislative History

In 1981 the General Assembly passed Public Act 81-389 establishing the Parent Deinstitutionalization Subsidy Aid Pilot Program. Floor debate indicates that the program was established to minimize the experience of institutionalization as well as to save money for the state. The expectation was that the average cost of maintaining a child at home would be less than the cost of maintaining the child in an institution.

Purpose

Under the Parent Deinstitutionalization Subsidy Aid Pilot Program, a parent is subsidized for receiving and accepting into his or her care, custody and control a physically handicapped or developmentally disabled child who is institutionalized or at risk of being institutionalized. As a result, a child who is in an institution will be able to return to his home and a child at risk of being institutionalized will be able to remain at home.

The parent, however, cannot receive subsidy aid if he or she is eligible for other forms of public assistance. In determining the amount of the subsidy, consideration must be given to the severity of the handicap or disability, the income and assets of the parent and child and the extraordinary costs related to maintenance of the child, such as training, counseling, therapy, education and medication. The amount of the subsidy cannot exceed 75 percent of the current cost of foster care maintenance established by the Department of Children and Youth Services (DCYS).

Organizational Location, Powers and Duties

The program is administered by the commissioner of human resources, who adopts regulations necessary to operate the program and to authorize the payment of subsidy aid. The commissioner determines parent and child eligibility as well as the amount of the aid. In addition, the Department of Human Resources monitors, inspects and evaluates the care of a child in the home of a parent participating in this program. The subsidy is to be reviewed annually and can be reduced or terminated by the commissioner after notice to the parent and a hearing. The commissioner also may return a child to state custody after reasonable notice to the parent, who has a right to a hearing and an appeal.

Fiscal Information

Under Public Act 81-389, \$20,000 in Finance Advisory Committee (FAC) funds was appropriated to the Department of Human Resources (DHR) for the fiscal year ending June 30, 1982. In addition, under Special Act 82-10, DHR received a \$21,840 appropriation for the fiscal year ending June 30, 1983.

PROGRAM OPERATION

Regulations necessary to implement the program became effective on March 19, 1982. In addition, Departmental Bulletin No. 30 became effective on April 1, 1982. The bulletin includes guidelines similar in content to the requirements of the regulations.¹

The regulations and bulletin issued by DHR contain parental eligibility criteria and the benefit determination process. In addition, the regulations and bulletin include requirements concerning the review and evaluation of child care as well as procedures for hearings concerning proposed reductions or terminations of subsidy aid.

According to the regulations and bulletin, a parent is eligible for subsidy aid if:

- the parent is planning to return the institutionalized child home or to maintain at home a child at risk of being institutionalized;
- need for aid is documented;
- there is a plan for maintaining the child at home, including a statement from an appropriate health care professional;
- the family is not receiving public assistance (Aid to Families with Dependent Children, Day Care, Title XIX, Essential Services and State Supplement); and
- annual income of the parent and the amount of the combined assets of the parent and child, based on family size, do not exceed the income and asset limits in Table III-1.

¹ The regulations and the bulletin are both agency statements, but only the regulations have been adopted in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes) and, therefore, have the force and effect of law.

Table III-1. Income and Asset Eligibility Criteria.

<u>Family Size</u>	<u>Maximum Gross Annual Income</u>	<u>Asset Limit</u>
1	\$10,271	\$ 5,000
2	15,947	5,000
3	22,434	6,000
4	27,029	8,000
5	31,083	10,000
6	35,137	10,000

Add \$4,000 in income for each additional family member over six and add \$2,000 to the asset limit for every family member over five. Real property used as a main residence is excluded from the asset count as is at least one automobile of reasonable value.

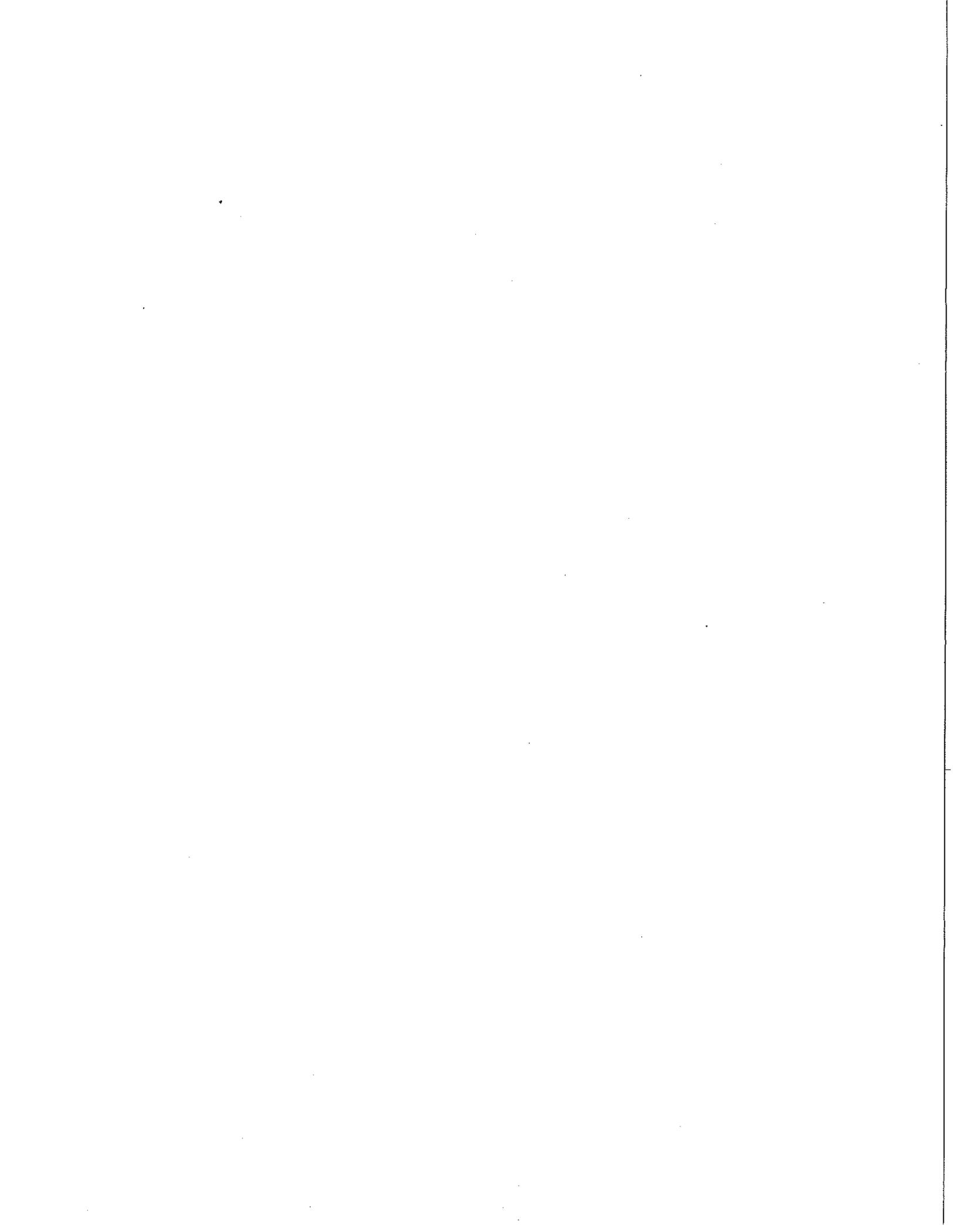
Source: Department of Human Resources.

In accordance with the regulations and bulletin, in order to receive benefits the parent must apply on the proper form. The parent must include a copy of the home care plan signed by a health care professional and provisions to carry out the plan and to supervise the child. In addition, the size of the family, the amount and verification of gross income and assets, the expected use of the subsidy and the cost of services needed to keep the child home must be included. After the application is complete, a DHR worker prepares a social study based on a home visit.

An evaluation team appointed by the commissioner then makes recommendations to the commissioner concerning the application. Currently the chief of social work and the chief of policy of DHR and two interested persons from the general public are members of the evaluation team. If the commissioner approves an evaluation team recommendation granting subsidy aid, the parent receives a check after an agreement with DHR is signed. According to DHR regulations, a parent cannot receive more than \$2,000 annually in subsidy aid.

The regulations require that the care, support and treatment of a child in the home of a parent participating in the program be reviewed at least annually. (The bulletin requires a six

month review.) Failure to comply with DHR recommendations resulting from that review may cause a reduction or termination of subsidy aid. If a child's health and well being are threatened, the case will be referred to the commissioner of Children and Youth Services for appropriate action.



ANALYSIS AND RECOMMENDATIONS

Public Act 81-389, which established the Parent Deinstitutionalization Subsidy Aid Pilot Program, became effective on July 1, 1981. A notice of the Department of Human Resources' proposal to adopt regulations to implement the act was published in the Connecticut Law Journal on October 20, 1981, and a public hearing on the regulations was held on November 17, 1981. The regulations were approved by the attorney general on January 21, 1982, by the Legislative Regulation Review Committee on March 16, 1982, and became effective on March 19, 1982.

A short time after the regulations became effective, DHR issued Departmental Bulletin No. 30, which took effect on April 1, 1982. In addition to guidelines similar in content to the requirements of the regulations, the bulletin includes a social study guide (to assist the DHR interviewer in completing the review used by the evaluation team as an aid in selecting clients for the program), an application form and an agreement.

The evaluation team held its first meeting on May 25, 1982, by which time 48 applications had been received. The evaluation team reviewed 22 of the applications. Subsidies totaling \$12,000, ranging from \$754 to \$2,000, were recommended for 8 cases, all of which involved children at risk of being institutionalized. The commissioner of human resources approved these recommendations on May 26, 1982.

A second meeting of the evaluation team was held on June 18, 1982, and the number of applications had increased to 59. The evaluation team recommended subsidies totaling \$8,000, ranging from \$800 to \$2,000, for 6 cases, all of which again involved children at risk of being institutionalized. The commissioner of human resources approved these recommendations on June 18, 1982.

The \$20,000 appropriation for the fiscal year ending June 30, 1982, was not expended until May and June 1982, when the program was already being reviewed by the Legislative Program Review and Investigations Committee. Since the program had only recently commenced, the committee was unable to gather the data necessary for its evaluation.

When the committee met on June 22, 1982, to make recommendations concerning the program, only 14 families had recently been selected for subsidy aid. The demand for the program was still unknown. In addition, staff and administrative costs could not be determined. While the department absorbed start-up costs

estimated to total \$3,784 so that the full appropriation could be used for subsidies, the total cost of administering the program will be a function of the unknown demand for the program. The use and adequacy of the subsidy funds also could not be determined since the appropriation for the first year had only recently been expended as subsidy aid and, therefore, had not been spent by the families.

Since the program has been in existence for only a brief period of time, *the Legislative Program Review and Investigations Committee recommends that the program be continued at no less than the present funding level with the sunset date postponed until 1985.* As a result, the sunset review will take place during 1984 when the program has been in effect for three years and in operation for approximately two years.

The committee found that all 14 families selected to benefit from the program had a physically handicapped or developmentally disabled child who was at risk of being institutionalized rather than a child who was institutionalized. The regulations specify that a physically handicapped or developmentally disabled child "is at risk of being institutionalized if because of a reduction or elimination of any of the special need items or services that help maintain the child in the community, the child might otherwise be institutionalized" (Connecticut Regulations, Section 81-389-2a). The committee is concerned about the broadness and subjective nature of the term "at risk". Therefore, *the Legislative Program Review and Investigations Committee recommends that both the criteria for determining children at risk of being institutionalized and the extent to which clients are in fact at risk be examined at the time of the 1985 sunset review.*