



A STARTING POINT

The Context

In 1935, some of our American Public Human Services Association predecessors stood behind President Franklin D. Roosevelt as he signed the Social Security Act. On that day, a great experiment began designed to protect the most vulnerable citizens – then widows and their children – from the vicissitudes of personal circumstance and the national economy.

One of the witnesses to that historic event, a welfare commissioner from New Hampshire, told colleagues that the overwhelming feeling on that day was one of absolute unity of purpose on behalf of all of those whom federal and state governments were charged to serve.

The health and human service system has undergone enormous changes since that day in 1935. While those changes, both good and bad, could fill several pages, perhaps the most significant and devastating change has been the erosion of a sense of common mission among federal and state leaders. Now, more than ever, that sense of commonality must be restored. While the talk in Washington and on Wall Street is about the potential impact of an unrelieved credit crisis, that impact is already being felt in the lives of people on the margins of our economy and on the revenues of state and local governments.

In the absence of a candid and informed conversation across all levels of government about how to reach common goals in a time of severely restricted resources, neither the clients of the health and human service system nor the American taxpayer are well or even adequately served. The good intentions and professional competence of public servants at federal, state, and local levels must not be compromised or minimized because of systemic mistrust.

One has only to examine the baggage that surrounds the words “flexibility” and “accountability” in state and federal conversations to understand the enervating consequences of working at cross purposes. In simple terms, states ask the federal government for flexibility in the use of federal program dollars, and the federal response is usually to suggest that states want flexibility so as not to be accountable for program outcomes.

Hidden in this coded conversation are several realities, including:

- Federal funding participation in health and human service programs has been in a state of constant decline, or there are increasingly high barriers for qualifying for that funding, if not both
- Flexible funding arrangements are one of the few tools that states have to deal with decreasing federal financial participation and increasing need
- State health and human service officials are immediately accountable to their governors for the responsible use of federal and state monies and effective service delivery to people in the state
- Federal health and human service program policy is caught in a time and technology warp in which it measures what it can count – rather than what counts – in the lives of people, and is not nimble enough to respond to evidence-based practice
- There is little effective conversation between and among federal and state health and human service officials on how to deal with a shrinking federal budget and constrained state budgets so as to make maximum use of combined dollars to achieve common purpose.

It is time to create a health and human service system for the future and learn from the dysfunction of the past. Federal and state health and human service leaders must be both accountable and flexible. We must deal realistically and with transparency about budget issues. We must pay for what works, not simply what we can count. We must understand that those whom we serve demand our best combined efforts and that we owe them nothing less.

In “For Those We Serve,” the statement of our broad values and concerns that frames the content of this paper, we pointed out the need for a national conversation about an appropriate standard of well-being for individuals and families in America. We also asked to be included in policy conversations going on in your campaign. We now ask, in the spirit of a revitalized partnership, that you consider the following list of program improvements that we believe can make an immediate difference in state agency capacity to serve our fellow citizens. We hasten to point out that these improvements do not take the place of a more comprehensive reform strategy, which we will publish in January 2009, but they are a starting point.

FEDERAL/STATE RELATIONSHIPS

States have partnered with the federal government since the public human service system began many decades ago. This partnership functions well when federal financial support and reasonable oversight are combined with state initiatives, flexibility, and accountability for outcomes that improve the lives of those we serve and make our administrative systems more efficient. But the current mix of federal reviews, monitoring requirements, and approval procedures is redundant and costly, and fails to account for the improvements that states have already made to their systems. Health and human service program monitoring and auditing must be reformed to adhere to existing law and the clear intent of Congress. This should be a fair and accountable process that is based on measurements that accurately reflect the work of the states, focuses on client outcomes and not processes, and gathers reliable information needed to design or improve effective programs. The present system results in punitive actions and penalties that threaten the meager resources agencies have to provide critical services. Federal approval procedures for straightforward, clearly beneficial improvements in information systems must also be streamlined; specifically, the present “Advance Planning Document” process is outdated, cumbersome, and ineffective.

Recommendation:

Congress should reform the 2002 law that imposes a “national error rate” on programs explicitly designed by Congress to be innovatively different from one state to the next. This law ignores the many state options and variations that make meaningful national comparisons tenuous at best. In the meantime, the Administration should direct its agencies to utilize a more common-sense interpretation of this and similar laws so that program monitoring efforts adhere to the clear intent of Congress; accurately reflect the work of the states; and gather reliable information needed to design or improve effective programs.

Recommendation:

Federal data collection mandates on the states (especially child welfare data collection) should be revised to ensure that data are pertinent to program needs; collected in an effective manner; and analyzed properly to ensure that conclusions are valid and reliable.

Recommendation:

Federal agencies should adopt a single, government-wide, and nationally uniform process for approving state information system upgrades, rather than the fractured and ineffective policies now in place. All federal agencies involved should coordinate their responses and questions through a single lead agency, and issue a single approval within a reasonable timeframe.

HEALTH CARE

Medicaid and the State Children’s Health Insurance Program provide a carefully administered and cost-effective health safety net for the nation’s vulnerable families and children. States have extensive experience in addressing issues of health care quality, cost containment, and access; they have the knowledge to provide comprehensive health care programs that meet the needs of diverse populations. Medicaid also represents the single largest payer for long-term care. States are a part of the solution in framing the national health care reform agenda. State innovations through Medicaid and SCHIP can continue to shape the solutions needed to improve our national health care system.

However, this record of accomplishment cannot continue without several urgently needed changes. Medicaid and SCHIP are jointly funded by the state and federal governments, and strong collaboration is crucial for long-term programmatic success. The deteriorating relationship between the federal and state governments, as demonstrated by the recent spate of regulations put under moratorium by Congress, must be revitalized. States must continue to have flexibility on populations covered and services offered through Medicaid and SCHIP. A timely reauthorization of the SCHIP program in March 2009 is crucial for states to provide these services. States also call for several important programmatic reforms, including improving integration of Medicare and Medicaid services for “dual eligibles” (those eligible for both Medicaid and Medicare), rebalancing long-term care services toward community-based services, and reducing barriers to employment for individuals with disabilities.

Recommendation:

Include state Medicaid agencies in the current national health care reform discussion; Medicaid is a crucial part of the nation’s healthcare system. The new Administration should establish a joint federal-state work group charged with development of new administrative policies and regulations.

Recommendation:

Enhance state flexibility on populations covered and services offered, and protect the SCHIP program through a timely reauthorization that provides adequate resources to states. If the program is not reauthorized and fully funded by March 31, 2009, not only will it discontinue coverage for millions of children, it will end the many federal waivers that have provided the opportunity for innovation in designing health care services that best fit each state's populations.

Recommendation:

Improve integration of Medicare and Medicaid services for dual-eligibles; they are the costliest clients in Medicaid and often receive a portion of their acute and pharmaceutical services under Medicare, with their long-term care services provided by Medicaid. There is a significant need to integrate and begin to share data between the two programs to improve quality outcomes and reduce costs.

CHILD WELFARE

The public child welfare system is charged with keeping children safe, healthy, and in permanent homes with their own families whenever possible. To achieve this goal, states must have resources to provide a range of preventive and supportive services to families as well as children. Today, however, states face a shortage of funds and grapple with federal spending restrictions that pose acute challenges our ability to continue carrying out these responsibilities. Federal funding is now disproportionately directed toward care for children who have had to be removed from their families, rather than prevention that could stop a family disruption from taking place. States are also severely hindered by the matching formula that is linked to a long-outdated, fixed index tied to a 1996 welfare eligibility standard (the "look-back" rule). Reforms are needed to allow flexible funding at current levels of need so that state and local public child welfare agencies can implement proven and promising programs to reduce or prevent abuse; lower the number of children entering out-of-home care; and reduce the time they spend there.

Other needed reforms include helping parents and families gain timely access to publicly supported mental health and substance abuse health services so they can begin recovery as soon as possible; expanded research that identifies the most effective and cost-efficient ways to help children and families so child welfare systems can best invest their scarce resources; and greater investment in organizational supports, training resources, education, and professional development so a well-trained workforce can effectively serve those who depend on us.

Recommendation:

Federal funding should be reformed so that all children and families, including immigrants, found to be in need of public child welfare services are eligible for federal support. Reauthorization of the Child Abuse Prevention and Treatment Act should eliminate the outdated formula for determining how federal funds are allotted to the states; allow states flexibility to spend more on preventing child abuse and helping families provide for their own children; and support a competent, well-trained workforce (as would have been achieved by the Child Welfare Workforce Improvement Act, introduced in the 110th Congress).

Recommendation:

Flexible funding should enable parents and children to receive medical, mental health, and substance abuse treatment as individuals or families. National Institute of Health (NIH) research on these issues in the child welfare system should be expanded. We also urge policy options and legislative reforms that would undo the Centers for Medicare and Medicaid Services Targeted Case Management regulation that restricts child welfare workers coordinating medical care for foster children, or continue the moratorium on a permanent basis. Action is needed prior to April 1, 2009, when the moratorium expires.

Recommendation:

Credible research and ongoing program evaluation should be a component of all federal grants to ensure that programs are achieving their intended results. Additionally, research should determine which mixes of services are most effective in particular situations and identify when improvements in one area may have a negative impact on another. Funding should be flexible enough to allow for the redesign of programs when programs prove ineffective.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES; CHILD SUPPORT

Welfare reform, enacted in 1996, brought significant change and improvements to the public welfare system as the Temporary Assistance for Needy Families program replaced the Aid to Families with Dependent Children program. States were provided a fixed TANF block grant in exchange for program flexibility and limited federal oversight. The results were a 60 percent decline in caseloads, millions of parents entering the workforce, a doubling of child support collections, a huge increase in the number of children in safe child care, and a decline in teen pregnancy among other path-breaking achievements. Unfortunately, these accomplishments are now threatened by increasingly stringent TANF regulations issued by HHS in the last few years, forcing states to operate this program much more like its predecessor, the Aid to Families with Dependent Children program – which was characterized by rigid requirements, process-based measures, and narrow definitions of eligibility. TANF was built on a foundation of work requirements and support for the transition toward self-sufficiency, but current regulations have shifted the federal emphasis to process measures and punitive oversight rather than progress made by clients.

Additionally, the child support program, one of the most cost-effective of all public programs, has lost critical funding since passage of the Deficit Reduction Act, and states have seen the numbers of those helped by this program drop. At the same time, we are seeing the number of programs that now have access to information gathered by child support increase, placing additional strain on already stretched staff looking to manage a caseload that is estimated at more than 15 million nationwide.

Both programs work to provide family stability and both require the necessary flexibility and funding to operate at the levels expected of them.

Recommendation:

States need TANF regulatory and statutory changes that place a greater emphasis on outcomes and allow for greater flexibility in the ways clients can be served. Providing partial credit for part-time employment, providing additional flexibility in the definition of work activities, and repealing an unrealistic 90 percent two-parent work participation rate would enable TANF to be a more effective tool as states combat rapidly rising unemployment.

Recommendation:

The Administration and Congress should prevent implementation of regulations that will hamper states' ability to use the flexibility that Congress intended for the TANF program and that will place states in danger of financial penalties.

Recommendation:

Funding for child support must reflect the steady increase of responsibilities placed on the program; the Administration and Congress should support repeal of the Deficit Reduction Act provision that prohibits states from using incentive payments to draw down federal funds to help with collections of child support payments.

**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
(formerly the Food Stamp Program)**

The Supplemental Nutrition Assistance Program is the bedrock program supporting the nutrition of low-income individuals. SNAP provides monthly electronic benefits to purchase food at grocery stores and other retail food outlets, including some farmers markets. Although SNAP participation is at a record high, many millions of families remain eligible but unserved. A handful of states have been allowed to test demonstrations where new applicants can enter the system through nonprofit community partners or other alternatives to the traditional public assistance office. Many more states would like to implement these innovative approaches, but cannot because of federal restrictions. New flexibility in SNAP waivers and demonstration projects, plus resources for the modest additional costs these projects might incur, would let many additional states replicate these promising undertakings. Similar administrative roadblocks limit the very successful Combined Application Projects (CAPs), under which Supplemental Security Income recipients can be automatically attached to SNAP without the need to make a separate office visit or undergo the full application procedure.

While SNAP has achieved many successes, it remains a very large, administratively complex, and tightly monitored program. States need adequate administrative flexibility to manage this program at a time of severe state budget constraints, yet there have been recent legislative attempts to restrict state flexibility rather than expand it. States also call for restoration of the higher levels of administrative matching funds the program once received.

Recommendation:

Allow more states to test innovative methods and alternative application strategies that remove barriers and streamline the eligibility and benefit determination process.

Recommendation:

Make the Combined Application Projects a state option rather than a demonstration project, and provide the modest funding assistance necessary for their widespread implementation.

Recommendation:

Restore the program's historic levels of federal administrative support and enhanced match for automation, and retain current law flexibility so states can choose the administrative options that best fit their individual needs.

CHILD CARE

The Child Care and Development Fund block grant provides most federal funding for child care subsidies for low-income working families. Subsidized child care is a critical service to these families as they struggle to become self-sufficient. High-quality early childhood care and education have become a cornerstone of public investment, and bolsters early child development, school readiness, early learning gains, and the ability of single mothers to get and retain employment. CCDF was last reauthorized in 2002 and funding has continued since then only through short-term extensions. The Deficit Reduction Act of 2005 froze program funding until 2010, and other CCDF funding has remained static since FY 2002.

Recommendation:

Funding for child care must be sufficiently expanded to allow states to achieve critical child care improvements in the areas of quality, early learning, access to healthy and safe care, workforce development, and needed infant and toddler care.

Conclusion

Thank you for your consideration of our request for action on these items. If you need any more information, it is available through our national association, the American Public Human Services Association.

Should you become the next President of the United States, there will be hundreds of people and groups seeking your attention to their concerns. We come with an offer of help. We offer you the benefit of our collective years of professional experience as you develop your health and human service agenda. In the partisan world of Washington, we offer expertise and opinion that is both bipartisan and tempered by the real world beyond the Beltway.

At the beginning of the New Year, we will provide your Administration with a detailed health and human service program improvement plan. This comprehensive document will provide program and legislative history as well as recommendations for short- and long-term action.

It is our hope that we regain the sense of common purpose that was experienced by those who stood behind the President in 1935. Just as in 1935, too much is at stake for anything less than a united effort.