



MARYLAND DEPARTMENT OF HUMAN RESOURCES
Maryland's Social Services Agency



PRESS RELEASE

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**MARYLAND DEPARTMENT OF HUMAN RESOURCES TACKLES, IMPLEMENTS
COMPREHENSIVE REFORMS IN GROUP HOME LICENSING AND CONTRACTING**

BALTIMORE – The Maryland Department of Human Resources (DHR) – as part of reforming its licensing and contracting practices with group homes – will either reduce or not renew its contracts with 37 of 134 group homes beginning July 1. Approximately 80 children currently placed in those group homes will be affected.

Because of DHR's focus on – and increasing success – at placing foster children in permanent homes, the agency is reducing its historic reliance on group homes – many of which are now operating at substantially less than their capacity.

The Department of Human Resources places youth in group homes, treatment foster homes, traditional family-setting foster homes and in independent living programs. In 2007, DHR launched its *Place Matters* initiative designed to place as many foster children as possible with permanent families.

Typically, group homes are small, residential community-based facilities that are designed to serve foster children, some of whom can have complex behavioral and health needs. These homes usually have approximately six to eight children and are staffed around the clock by trained caregivers.

Shortly after their respective appointments, DHR Secretary Brenda Donald and Department of Juvenile Services (DJS) Secretary Don DeVore joined together to spearhead an effort to give their agencies greater control over their licensing processes for group homes.

In the past, DHR and DJS were essentially required to grant a license to any new group home so long as it met minimum standards. Because actual need was not considered, an over-saturation of group homes resulted – particularly in Prince George's and Baltimore counties.

Under Governor Martin O'Malley's leadership, Donald and DeVore worked with advocates and the Maryland General Assembly on legislation to address the problem. In 2008, the General Assembly passed a bill that allows DHR and DJS to license a new group home only when it responds to a statement of need issued by either of the agencies. Since the legislation took effect in October of 2008, DHR has not issued any licenses to new group home providers.

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- Martin O'Malley, Governor
- Anthony G. Brown, Lt. Governor
- Brenda Donald, Secretary

“I just couldn’t understand why the agencies that serve children were essentially left out of deciding whether, when and where a new group home should be opened,” Donald explained.

In Maryland, three state agencies have the authority to license group home providers: DHR, DJS and the Department of Health and Mental Hygiene (DHMH). For DHR to place a child in a group home, that group home must both: 1) have a license issued by either DHR, DJS or DHMH and 2) have a contract with DHR.

After putting more controls on the licensing process, Donald and her team of analysts consulted local directors of social services and actively engaged a task force – including group home providers – to review and reform DHR’s contracting process.

The group established a report card process that addressed two main questions: 1) What is the quality of care provided to children at each group home that currently has a contract with DHR? 2) Has that group home complied with its mandated administrative procedures and practices consistent with DHR’s licensing standards?

Donald’s team reviewed all 134 contracts DHR currently has with group home providers. These group homes have a total of 2,089 beds available for children. As a result of the comprehensive review, DHR will not renew its contracts with 23 group home providers who currently have contracts. The agency will also recommend that it reduce an additional 14 contracts it has with the remaining 111 group homes. The Department of Human Resources will reduce its total contracted beds with group home providers from 2,089 to 1,707.

In addition, DHR will expand two of its contracts with group homes in Baltimore City who have consistently demonstrated a high quality of care and substantial compliance with administrative requirements. A new group home that deals with the developmentally disabled population will be permitted to open on the Eastern Shore.

“Having more group home beds than we need doesn’t help DHR, our children or the communities where the group homes are located,” said Donald. “And from a business standpoint, having too many group home beds is especially bad for the providers themselves.”

Yesterday, DHR sent letters to all group home providers who currently have contracts with DHR informing them if their future contracts will continue, be reduced or not be renewed.

Throughout the reform process, Donald has continued to stress the ongoing need for group homes, noting that many of them provide very specialized services, specifically for children with complex medical conditions.

“Our ultimate goal is to contract only with group homes that provide the absolute best care for children and are financially stable,” said Donald.

Together with its local directors, DHR will immediately begin to evaluate the needs of the affected children to determine the most appropriate placement for them.

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“We expect that some of these kids may actually get to go home,” said Donald. “We will use this opportunity to review the cases of these children and determine the best placement for their future.”

Throughout the reform process, Donald kept group home providers apprised of her intent to right-size the number of group homes based on actual community need. She most recently spoke in October at a group home provider forum where more than 400 people involved in group home management attended.

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The Maryland Department of Human Resources is the state’s social services provider. The agency collaborates with 24 local jurisdictions to: provide foster care, adoption and protective services to children; collect and distribute child support payments; and provide temporary cash, food stamps and medical assistance to families. It also administers programs for homeless persons, refugees, migrant workers, victims of crime and women who are displaced, battered or assaulted. Last year, DHR served 638,000 people in need. In terms of its annual budget, DHR is Maryland’s fourth largest state agency.