

# Parent-Child Assistance Program Outcomes Suggest Sources of Cost Savings for Washington State



## Limits of this Brief

This brief presents estimates of cost savings, when available, rather than a cost-benefit analysis. Cost estimates are in 2012 dollars<sup>1</sup> and based on PCAP outcome and other sources of existing data. The PCAP outcomes are not based on a randomized controlled trial, therefore these estimates, while based on reasonable assumptions and comparisons, should be interpreted with caution. A validation of these estimates would need to rely on PCAP outcome studies using experimental or quasi-experimental designs and economic cost-benefit methods. In addition, rarely do positive child and maternal outcomes occur in isolation of each other, and cost savings likely compound.

## The Parent-Child Assistance Program

Children exposed to alcohol and drugs in the womb can experience long-term health problems. Furthermore, mothers who abuse substances often have difficulties providing their children with a nurturing and safe home environment. These problems are both costly to society and preventable with the right mix of prevention-oriented and supportive services.

The Parent-Child Assistance Program (PCAP) serves high-risk mothers in Washington State who abuse alcohol and/or drugs during pregnancy. The primary goals of PCAP include:

- assisting mothers in obtaining treatment and staying in recovery
- assuring that the children are in safe, stable homes and receiving appropriate health care

- linking mothers to community resources that will help them build and maintain healthy, independent family lives
- preventing future drug and alcohol abuse during pregnancy

Specially trained and closely supervised paraprofessional case managers each work with 16 families for three years, beginning during pregnancy or postpartum. Case managers provide regular home visitation and connect previously disengaged mothers to a comprehensive array of services including substance abuse treatment, housing, and mental health services. PCAP serves approximately 735 families annually in nine counties.

PCAP costs approximately \$5,000 per mother per year for a three-year program. While this cost does not include the total cost of comprehensive services that PCAP helps women access, the social and economic costs for not serving this population are high.

## Savings from Reduced Dependence on Child Welfare

- PCAP may increase reunification rates by 16%, which is a difference of five percentage points. Thirty-seven percent (37%) of mothers in five counties served by PCAP reunified during the three-year enrollment compared to 32% of infants statewide during a four-year follow-up period.<sup>2,3,4</sup> This difference translates to annual cost savings for the five counties of approximately \$32,544 from reductions in out-of-home care. To put these savings from the five counties in context to the rest of the state, infants in these five counties comprise 47% of all infants in out-of-home care in Washington.<sup>5</sup>
- Children of mothers enrolled in PCAP who were in out-of-home care and reunified at program exit had a shorter length-of-stay (3.8 months), on average, than Washington's statewide average (20.4 months).<sup>6</sup> Thus, for each successful reunification, savings of approximately \$21,231 per child could be realized.<sup>7</sup>
- Further, children of mothers enrolled in PCAP reunify approximately seven months more quickly than the statewide average of children age birth to three who exit foster care to reunification.<sup>8</sup> This translates into a potential cost savings of \$4,057 per case.<sup>9</sup>

## Savings from Fewer Subsequent Alcohol- and Drug-Exposed Infants

- The estimated total lifetime cost of Fetal Alcohol Syndrome (FAS) for one individual is \$2.5 million (including medical costs and lost productivity).<sup>10</sup> Of 239 binge alcohol drinkers served by PCAP in seven counties (infants in out-of-home care in these seven counties comprise approximately 51% of the infant out-of-home care population in Washington),<sup>11</sup> 62 had a subsequent pregnancy. If all 62 mothers continued to drink, approximately 13 mothers (21%) would have a child with FAS,<sup>12</sup> resulting in total lifetime costs of \$33.2 million. Instead, only 18 mothers enrolled in PCAP continued to drink during the subsequent pregnancy, resulting in four children who may have FAS. This difference represents \$23.6 million in lifetime cost savings.

- Only 12% of mothers enrolled in PCAP had a subsequent alcohol- or drug-exposed infant within three years compared to 21% of similar mothers over the same time period who received typical substance abuse treatment alone without intensive case management. This comparison sample was from a large, randomized controlled trial in another state—the best available source for comparison.<sup>13</sup>

## Other Sources of Cost Savings

- *Reduced dependence on public assistance.* From 2007 to 2012, Temporary Assistance for Needy Families (TANF) was the main source of income for 61 percent of women entering PCAP compared to only 31% at exit.
- *Increased employment.* From 2007 to 2012, employment was the main source of income for 3% percent of women entering PCAP, compared to 27% at exit, resulting in greater tax revenue from increased earnings.
- *Increased levels of education.* From 1998 to 2004, PCAP participants completed an aggregate total of 26 years of higher education during PCAP enrollment. Each additional year of schooling translates into a 10% increase in earnings, which yields greater tax revenue to the state.<sup>14</sup> Participants also completed approximately 96 years of high school equivalency education.
- *Reductions in subsequent birth rates for mothers on Medicaid.* Medicaid births are estimated to cost the public \$17,217 in prenatal, delivery, and post-partum care for the mom and the first year of care for the infant.<sup>15</sup> The PCAP population has a 22% subsequent birth rate during the three-year enrollment period. Unfortunately, subsequent birth rates for a similar population and time frame are not readily available for comparison purposes.
- Future areas of examination for other sources of cost savings include reductions in incarceration rates, increased housing security, and reduced medical costs for substance-exposed births (other than FAS, which is reported above).

## Endnotes

- 1 All estimates are adjusted for inflation using the Bureau of Labor Statistics Consumer Price Index Inflation Calculator: [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)
- 2 Grant, T., Huggins, J., Graham, J. C., Ernst, C., Whitney, N, & Wilson, D. (2011). Maternal substance abuse and disrupted parenting: Distinguishing mothers who keep their children from those who don't. *Children and Youth Services Review*, 33, 2176-2185.
- 3 Brennan, K., Wilson, D., George, T., & McLaughlin, O. (2009). *Washington state court appointed special advocate program evaluation report: Brief report to programs*. Seattle, WA: University of Washington School of Social Work; Washington State Center for Court Research.
- 4 These savings are likely conservative because they do not include associated savings from adoption subsidies. Reductions in reunification rates for young children are likely associated with increases in adoption rates.
- 5 Washington Department of Social Human Services, Department of Social & Health Services, Children's Administration (2012). *Washington State AFCARS Files*. Seattle, WA: Data Advocacy, Casey Family Programs. Used with permission.
- 6 Lee, S., Aos, S., Drake, E., Pennucci, A., Miller, M., Anderson, L. & Burley, M. (2012). *Return on investment: Evidence-based options to improve statewide outcomes* (Document No. 11-07-1201B). Olympia: WA: Washington State Institute of Public Policy.
- 7 Lee, S., Aos, S., Drake, E., Pennucci, A., Miller, M., Anderson, L. & Burley, M. (2012). *Return on investment: Evidence-based options to improve statewide outcomes* (Document No. 11-07-1201B). Olympia: WA: Washington State Institute of Public Policy.
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- 9 Lee, S., Aos, S., Drake, E., Pennucci, A., Miller, M., Anderson, L. & Burley, M. (2012). *Return on investment: Evidence-based options to improve statewide outcomes* (Document No. 11-07-1201B). Olympia: WA: Washington State Institute of Public Policy
- 10 Lupton C., Burd L., Harwood R. (2004). Cost of fetal alcohol spectrum disorders. *American Journal of Medical Genetics Part C: Seminars in Medical Genetics*, 127C(1), 42-50.
- 11 Washington Department of Social Human Services, Department of Social & Health Services, Children's Administration (2012). *Washington State AFCARS Files*. Seattle, WA: Data Advocacy, Casey Family Programs. Used with permission.
- 12 Barr, H. M., Streissguth, A. P. (2001). Identifying maternal self-reported alcohol use associated with fetal alcohol spectrum disorders. *Alcoholism: Clinical and Experimental Research*, 25 (2), 283–287.
- 13 Ryan, J. P., Choi, S., Hong, J. S., Hernandez, P., & Larrison, C. R. (2008). Recovery coaches and substance exposed births: An experiment in child welfare. *Child Abuse and Neglect*, 32(11), 1072-1079.
- 14 Burley, M. & Lee, S. (2010). *Extending foster care to age 21: Measuring costs and benefits in WA State*. Olympia, WA: Washington State Institute for Public Policy.
- 15 Cawthon, L. (2010). *Medicaid paid maternal and infant services for Washington births to Medicaid Mothers, 1999-2000*. Olympia, WA: DSHS Research and Data Analysis.