 Victim Compensation Programs  
Face Major Challenges in 2010

A host of issues and challenges face crime victim compensation programs in 2010 as they try to provide financial assistance to victims. Ongoing state budget crises, national health-care-reform legislation, increases in demand (more claims), and improvements in outreach and service are among the most important problem areas for program managers and their staffs.

State budget woes will continue to put pressure on many state compensation programs. According to the National Conference of State Legislators (NCSL), state finances are not expected to recover for at least another two years. “Even if the recession is over, state budgets are still in appalling condition and are going to be that way for quite a while,” according to Corina Eckl, fiscal director at NCSL. “For many states, recovery is not even in the forecast.”

This dire outlook impacts most severely those state compensation program dependent on appropriations each year for funding. Fortunately, many programs have self-sustaining and dedicated funding mechanisms, based on criminal fees and assessments, so their income is not dependent on a decision made by a state legislature. But even those programs are at risk, when legislatures desperate for money search every possible funding source to balance state budgets. Victim compensation funds repeatedly have been “raided,” leaving them vulnerable. More than a few program managers have had to fight simply to keep the funds that by law are for their programs.

Other important issues loom: What will be the impact of major health-care reform legislation in the U.S. Congress? It appears, as of this writing, that some form of legislation will pass, promising medical insurance for tens of millions more Americans. Will compensation programs that generally pay well over half their awards for medical care need to adjust their benefits, or their budgets, if fewer victims apply for medical-care coverage? Will other benefits be added or expanded? While implementation of insurance reform is still a few years’ distant, compensation managers may need to keep ahead in their thinking on this issue. (See page 4 for more.)

Higher levels of VOCA funding for victim services (see page 3) likely will result in more claims. Can compensation programs meet that demand? Can they manage to be both “high-tech” and “high-touch” at the same time? (See page 6 for ideas.) The New Year promises to be an interesting one!
It’s been an interesting and difficult year for nearly all of us, as our programs struggled with state budget gaps as well as the usual tough but rewarding work of providing financial assistance to crime victims. A few compensation programs dependent on appropriations were cut or underfunded by state legislators. But even if our own programs gathered sufficient funds through a dedicated funding mechanism, there was the threat that account balances would be targeted to pay for other priorities — a reality that did occur in several states. Programs received additional federal funds through the Recovery Act stimulus grants, but this new money was accompanied with separate and added reporting requirements that added to administrative burdens. Our colleagues in victim services also faced continued pressure, as VOCA grants were delayed and remained below levels sought by advocates.

For many states, these fiscal challenges remain as we head into a new year with much of the same economic uncertainty. But there is good news on the horizon. The fact is that the large majority of compensation programs did survive budget pressures in their own states, thanks largely to their unique funding mechanisms, and the recognition by state legislators that our programs are worth sustaining at current levels. Compensation payouts have even increased nationwide. And our colleagues in victim assistance will see state grants increasing by approximately 20% in FY 2010, since the federal government has just approved a significantly higher spending cap for the year. Victim compensation and assistance programs have persevered and will continue to help victims.

It’s also been a challenging and important year for the Association, as we tried to assist states and maintain our regular Regional meetings during these tough budget times for states. We managed to bring managers and staff from 20 states to our two Regionals, in South Carolina and New Mexico. Then our National Training Conference in Washington, D.C., set records for attendance, with nearly every state joining us. I want to thank all of our membership for participating so actively, and continuing to help each other through this organization. I think we’ve seen how the Association becomes even more important during difficult times.

As we look toward the next year, many challenges and unknowns remain. How will health-care reform, if and when it occurs, impact our programs? How will programs take advantage of advances in technology to communicate with victims and advocates and process claims? How can we continue to grow in our ability to meet victims’ needs? Whatever the future holds, we can be strong together, and I hope you know you can count on us to help, whatever the issues are that you’re facing.

— Deb Rice

Association Officers
President: Deborah Shaw Rice (Maine)
1st Vice President: Shawanda Reynolds-Cobb (Georgia)
2nd Vice President: Gene McCleskey (Texas)
Treasurer: Cletus Nnanabu (Washington)
Secretary: George Gutierrez (Idaho)

Board of Directors
Ethel Ford (SC)  Marie Bibus (MN)  Judy Farley (RI)  Janet Kennedy (MS)  Cheryle Hall (WV)
Laura Banks Reed (DC)  Kristy Ring (NM)  Suzanne Breedlove (OK)  Gwen Roache (FL)
Bryan Nix (NV)  Julie Tennant-Caine (WY)  Tony Vidale (AZ)  Frank Henderson, Jr. (KS)
Bea Hanson Nominated as New OVC Director

President Barack Obama has announced his intention to nominate Bea Hanson to be the next director of the Office for Victims of Crime in the U.S. Department of Justice. Bea Hanson is currently the chief program officer for Safe Horizon, a crime victim assistance organization and non-profit agency located in New York City. She oversees a staff of more than 600 professionals who provide services to more than 350,000 people annually impacted by violence. Ms. Hanson joined Safe Horizon (formerly named Victim Services) in 1997 as the director of emergency services. She went on to oversee the agency’s domestic violence, homeless youth, and child abuse programs, before being promoted to her current position in 2004. Ms. Hanson is an executive committee member of the Board of the New York City Chapter of the National Association of Social Workers. She has also served as adjunct faculty at the Hunter College School of Social Work and the Fordham University Graduate School of Social Services. Prior to joining Safe Horizon, Ms. Hanson was the director of client services for the New York City Gay and Lesbian Anti-Violence Project. She received a B.A. from the University of Michigan and an M.A. in Social Work from the Hunter College School of Social Work. In 2010, she is scheduled to receive a Doctorate in Social Work from the Social Welfare Program at the City University of New York.

Welcome!

Kristy Ring has been named acting director of the New Mexico Crime Victims Reparation Commission. Kristy is a veteran of 28 years with the commission, serving as a claims specialist and assistant director under recently retired Larry Tackman.

Larry Grubbs has transitioned to compensation program manager for the Arizona Criminal Justice Commission, after serving the last four years as the program coordinator for ACJC’s Crime Victim Services Program. His background also includes work as grant writer and fundraiser for some of the largest victim service and fine-arts organizations in the state.

Ed Katz is now the director of Victim Compensation Assistance Program for the Pennsylvania Commission on Crime and Delinquency (PCCD). Ed has worked since 2000 with the victim compensation program, after nearly two decades of service as police chief and city manager for the City of Penbrook, PA.

U.S. Sets $705 million as VOCA Cap for FY 2010

A spending cap of $705 million has been approved by Congress and signed by the President, which should result in a nearly 20% increase in state VOCA assistance grants this fiscal year. The cap last year (FY 2009) was $635 million. Compensation grants will not increase, since they are subject to a limitation of 60% of state-dollar payouts by compensation programs. But the increase will impact compensation programs, as victim service programs add staff and expand services. More victims will hear about victim compensation, and be assisted in applying. It’s good news for all involved in helping crime victims get the financial assistance they need!

National Training Conference
45 Years of Crime Victim Compensation: 1965—2010
September 27 - October 1, 2010
National Health-Care Reform: What Effect on Victim Comp?

January looks to be decision time for the U.S. Congress on exactly what the shape of the nation’s health-care system will be. With passage in both the Senate and House of major reform legislation, it is no longer if, but when and how, that are the big question marks for managers of victim compensation programs paying significant amounts now for uninsured care.

It’s important to note that major changes in the nation’s health-care system won’t occur until 2014, when everyone will be required to have insurance, and when new state-based insurance exchanges would be established to serve people who can’t get insurance through their employers. So any effect in a reduction of demand because of greater insurance coverage of victims won’t likely be felt for several more years.

There are a few provisions that will go into effect sooner; for example, within six months after enactment of the plan, insurers would be barred from dropping beneficiaries when they become sick and from imposing lifetime limits on coverage.

An analysis of the House and Senate bills shows that a large percentage of Americans currently uninsured will have coverage in a matter of a few years. According to the Washington Post, there will be 54 million people without health insurance by 2019 without reform, but only 17 million to 23 million would be uninsured if the House or Senate versions of the health reform pass. The reduction in the uninsured population will result from an expansion of Medicaid eligibility to more of the working poor (people with incomes below 133 percent of the poverty level), and by giving subsidies to others with incomes between 133 percent and 400 percent of the poverty level (the equivalent of $29,326 to $88,200 for a family of four). People who refuse to buy insurance, and immigrants without legal residence status, would not be covered in the new system.

Both the Senate and House versions require everyone to have health insurance. The penalty for not having insurance will be 2% of income by the year 2016. Employers generally must provide coverage, though many small businesses will be exempt from this requirement.

One other intended effect of health-care legislation is to slow the growth in medical costs through a variety of means. Victim compensation programs whose medical-care payouts have grown because of increased costs may see some relief as a result.

So what does this all mean, practically speaking, for victim compensation programs?

Compensation programs, nationally, pay an average of 52% of total benefits on medical care. Another 8% goes toward mental health counseling, for a total of 60% of total benefits going toward these two categories that largely would be covered for insured victims. (In a number of states, the percentage for these two categories is 70% of total payouts.) If most, or nearly all, of the amount currently paid by compensation programs toward medical and counseling costs were to be covered by insurance, what would this mean? Looking at other expense categories, programs paid 16% of their total benefits for lost wages and lost support, and 11% for funeral bills. Payments for forensic exams in sexual assault cases comprised 6% of the total; and while greater insurance coverage would reduce this amount somewhat, a number of programs don’t require insurance to be accessed for this particular expense. Other types of expenses, including relocation, and crime-scene cleanup were the remaining 7% of the total.

Will health-care reform reduce the number of claims? It would seem that it would, since most of the medical costs compensation programs pay for are for people not covered by any insurance. But programs also pay for deductibles and co-pays. We
Compensation programs currently pay an average of 52% of their total benefits on medical care, and another 8% on counseling — or a total of 60% overall. Will near-universal coverage mean a refocusing of what victim compensation covers?

don’t have any statistical information on this; perhaps victim compensation programs can look at their own data and get an estimate of the proportion of medical payments going toward entirely uninsured people, as opposed to the gaps in coverage for those who are insured.

Note that under current federal law, state compensation programs should remain payers of last resort with regard to any federally funded programs. Congress would have to specifically single out compensation programs as first payers for that to change. Presumably state compensation laws also would continue to provide last-payer status as private insurance coverage is extended to more people.

What about those who refuse to comply with the law to have insurance? Compensation programs generally require claimants to access collateral resources available to them, with some exceptions. We know that emergency medical care will continue to be provided to everyone; no one will be turned away because they fail to get insurance. But would that failure on the part of the victim mean a compensation program should deny payment because a collateral resource could have been available? In addition, emergency care will continue to be provided to “illegal immigrants,” who generally are eligible in most states for medical care benefits from victim compensation programs. Will the “undocumented” become a greater share of the caseload, and what implications will that have?

Will compensation programs adjust what they pay for, emphasizing other benefits over medical payments? Victims ask for compensation programs to pay for wage loss, lost support, funeral bills, crime-scene cleanup, relocation, and a wide variety of other expenses. If compensation programs are paying less for medical care, and if those programs seek to keep overall payments at current levels, it stands to reason that either more claims for other expenses, or higher caps (and thus increased payments) on those other costs and losses will have to be instituted. Otherwise, overall compensation payments will fall.

Generating more claims is never easy. Most programs already engage in significant outreach efforts, and many programs have seen claims level off or fall as a result of dramatically declining crime rates. Nevertheless, the expected increase in crime victim service programs resulting from increased VOCA assistance grants to states may mean more victims will be encouraged to apply by a larger number of advocates. There are always more victims to help that are not getting sufficient information about victim compensation.

Simply raising any subcaps on currently available benefits, like relocation, may have some effect, but it’s unlikely to make up the entire difference in medical or counseling costs that no longer have to be paid. There simply isn’t enough above those caps left unpaid, in the vast majority of cases.

Adding a significant new benefit, like relocation in domestic violence cases, might have more of an impact on state program spending. Some states covering relocation for domestic violence victims pay about 10% of total benefits in that category.

Many details are yet to be worked out in Congress, so it’s impossible to know exactly what the final legislation will look like—if passed, and this is still not completely assured. Since the new health-care payment system will be significantly different than the existing one, it’s impossible to predict exactly how the changes will play out. But it does seem clear that some changes are in the offing for crime victim compensation programs that may have a significant effect on the scope and focus of their mission in providing financial assistance to crime victims.
A number of state victim compensation programs are using paperless claims-management systems, allowing multiple users to view forms and documents at the same time, and eliminating bulky hard-copy files. A recent survey identified at least eight states using some form of a paperless system, with several more nearly ready to implement this technique.

In addition, a smaller but growing number of states can now take applications online. In at least one state, the data from the online application “populates” the claims-management database, eliminating the need to manually key in the information.

States that work without paper typically scan in any documents upon receiving them. The paper hard copies then can be shredded and disposed of. Documents can be routed to each employee through a workflow system.

California, Florida, Nevada, New York, Ohio, Pennsylvania, Texas, and West Virginia are states currently using paperless systems. Utah and Virginia are in the midst of going paperless.

States Use Advocates, New Training Initiatives To Enhance Outreach

The Division of Victim Services in the Florida Attorney General’s Office is making use of 14 regional advocates throughout the state to provide liaison and training to victim service providers and others working with victims. The advocates are involved in local victim coalitions and help resolve issues within their assigned jurisdictions. Florida also created an eight-hour tri-annual interactive course designed to improve the ability of victim-service programs to submit quality applications on behalf of the claimants they serve. Topics include eligibility criteria, specific types of compensable crimes, calculations of benefits, statutory guidelines, and claims processing procedures.

Mississippi’s Crime Victim Compensation Division in the Attorney General’s Office has two victim advocates to provide direct services, including helping victims complete applications, connecting them to support groups and services, assisting them in invoking rights and obtaining case and offender status, and guiding them through the criminal justice process.

The advocates coordinate education, awareness and training initiatives primarily focused on law enforcement and medical providers.

The Victim Compensation Division in the Massachusetts Attorney General’s Office has a victim advocate/outreach coordinator position with responsibility for networking with service programs, fielding requests for trainings, and making presentations. Another function within the program for the advocate is to help solve problems on individual claims.

A public information officer (PIO) working for Oklahoma’s Crime Victims Compensation Program visits communities regularly to meet with law enforcement, medical providers, and victim service programs, and to put up posters in key locations.

Virginia’s Criminal Injuries Compensation Fund employs both an ombudsman and a medical provider liaison to perform outreach functions. The program prepares an outreach plan annually, targeting localities deemed “underperforming” based on the number of claims submitted compared to their population and crime rate. Meetings are held with victim-witness programs, police departments, service programs, and prosecutors themselves to emphasize the importance of using their resources to inform victims about compensation opportunities.

Pennsylvania’s Victim Compensation Assistance Program is now providing live interactive training on a regular basis, using a WebEx system. For example, in January 2010, an “advanced compensation training” called the “Relocation Benefit Clinic” will be offered. (Find more info at www.pccd.state.pa.us.)

Pennsylvania’s program also has placed 20 posters on its Website, many focused on specific types of compensation-eligible victims. An example is shown on the next page.
I had to go to the doctor because my uncle hurt me while he was drunk.

WHAT ARE HER RIGHTS?

If you or a loved one has been a victim of crime, the Victims Compensation Assistance Program may be able to help with medical, counseling and other expenses.

In your area contact:
2010
National Training Conference
Chicago
September 27 – October 1

The nation’s crime victim compensation programs meet next year in one of our most exciting cities to discuss how to meet the many challenges facing managers and staff in providing financial assistance to crime victims. The conference will feature a full agenda of workshops for compensation program managers, claims processors, Board members, and other key staff. More details will be made available early in 2010.

Crime Victim Compensation
45 Years
1965-2010

Just Announced!
Southern-Eastern Regional
Boston, Massachusetts
May 5-7, 2010
More information will be sent soon to all programs.

Stay tuned for the site and date for our Western Regional!