

**Performance Based
Contracting and Quality
Assurance Systems:
Findings from a Three-
State Study Regarding
Improvement in
Organizational, Practice
and Child Outcomes**

**Quality
Improvement
Center**
on the Privatization
of Child Welfare
Services

2010 National Child Welfare Data and Technology

Conference: Presenters

- Crystal Collins-Camargo, Director of the QIC PCW, University of Louisville
- LeAnn Haslag, Unit Manager, Missouri Children's Division
- Kate Kearney, Children and Family Research Center, University of Illinois
- Cynthia Schuler, CEO, Kids Central, Inc., Ocala, Florida

The Quality Improvement Center Concept

The QIC PCW continues the experiment by the Children's Bureau to utilize QICs as a method of research and demonstration

- evidence-based topic selection
- rigorous evaluation
- targeted TA
- broad dissemination

This is a **knowledge development** initiative—the goal is to *move the child welfare field forward*

Funded by the Children's Bureau, QIC PCW has the Following Goals

- To promote and support an **evidence-based and outcomes-focused approach** to child welfare system development and organizational improvement.
- To facilitate a **collaborative information-sharing and problem-solving national network** among subgrantees, the Children's Bureau's training and technical assistance network, public child welfare agencies, private service providers, and other stakeholders.
- To **build consensus** on appropriate models of reform, the respective roles and responsibilities of public and private agencies, and to **provide input** on areas on which the child welfare policy and evaluation fields should focus.

Triangulation Selection of for Sub-grant

a Led to Focus Area

**Initial NAB/CB
Discussions**

**Key Informant
Discussions with
PCW**

Administrators

**Discussions with
Stakeholder
Groups**

**Targeted Forums
with Experienced
States**

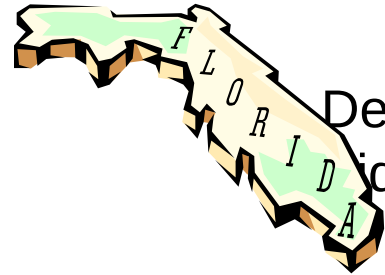
Literature Review

**Test innovative
performance
based
contracting and
quality
assurance
systems' ability
to promote:**

- **CW outcomes**

Quality service

The Funded PBCQA Projects



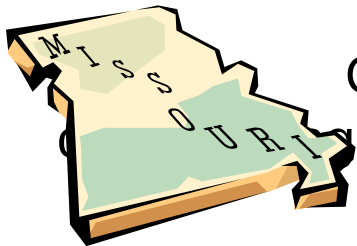
Florida

Department of Children and Families Judicial Circuit 5,
Kids Central, Inc. and Jean K. Elder & Associates



Illinois

Department of Children and Family Services
Child Care Association of Illinois and the University of
Illinois at Urbana-Champaign



Missouri

Children's Division, Seven consortia of private
agencies and the University of Missouri-Columbia

Inclusivity

ü

Clarity

ü

Transparency

ü

Objectivity

Promising Practices Worthy of Evaluation re: Contribution to Outcome Achievement

- Articulation of a **shared vision** that drives the initiative and is grounded in desired outcomes;
- **Inclusive** planning and contract components development process that involves both public and private providers, administrative and practice level staff;
- **Engagement of key external entities**, and particularly the courts, tribes and community-based agencies, which play a critical role in provider achievement of performance indicators, and the working relationship between the public and private workers on the frontline;

Promising Practices Continued

- Implementation of the contract monitoring process that balances **appropriate levels of systemic and case level review without micromanagement**;
- **Quality assurance and positive outcome-seeking systems of utilization management**, that engage administrative and field staff in creative analysis of practice and outcome data, linking cost effectiveness with evidence-based practice on the frontline that best promotes desired outcomes for families and children; and,
- On-going communication and management of the relationship between the public and private sectors that strives for **true partnership** in serving families and children, while recognizing the realities of the contractual relationship.

Research Questions

- Does an **inclusive and comprehensive planning process** produce broad-scale buy-in to clearly defined performance based contracting goals and ongoing quality assurance?
- What are the **necessary components** of performance based contracts and quality assurance systems that promote the greatest improvements in outcomes for children and families?
- When operating under a performance based contract, are the **child, family and system outcomes produced better** than those produced under the previous contracting system employed?
- Are there **essential contextual variables** that independently appear to promote contract and system performance?

Focus of the Florida Project

- Collaboration between Kids Central Inc. (the Community Based Care Lead Agency responsible for provision of child-welfare services) and the Florida Department of Children and Families (DCF) Circuit 5
- Desire to create a shared vision of **practice drivers that impact outcomes** with case management agencies under contract to Kids Central
- Case Management Agencies Incentivized for:
 - **Face-to-Face Supervision within 4 Days of Case Receipt and at 30 to 45 Days**
 - **Case Information Entered within 2 Days**
 - **Face-to-Face Contact with Biological Parents**

Impact of an Inclusive Planning Process on Buy-In

- Contract planning and discussions surrounding outcomes improved attention to contractual measures and focused performance on specific practices - assuming practice related measures are incentivized
- While the inclusive and comprehensive planning process produced broad-scale buy-in to performance-based contract goals and quality assurance at the **executive and administrative level** there are several key considerations that must be given to this factor:
 - For performance based and quality assurance to be operationalized, there must be buy-in at the front line level.
 - A clear tie between practice and outcomes enhances understanding of the contractual goals.
 - Quality assurance must be applied consistently and feedback provided regularly.

Necessary Components of PBCQA to Promote Positive

Improvement

An existing framework of collaboration and trust supports development and implementation of PB contracts from the executive level. Without this foundation, equalizing power and buy-in would be difficult. All parties must understand and accept the common goals of the process

- Use of external facilitation (for the development of contractual goals) allowed all parties to come to the table as partners
 - Opinions and positions are able to be freely expressed
- Practice-Related Measures Directly Impacted Performance and Outcomes
 - Staff Report that Focus Strictly On Outcomes or Measures that Did Not Related Directly to Practice Had Less Effect on Behavior and Impact on Outcomes (Data Entry and Permanency)
- Incentives Must be Provided to the Front Line Staff
 - Based on staff feedback and impressions of individuals that worked for CMAs that did not immediately incentivize front-line staff
- Knowing What Could be Earned Could be as Important as What was Actually Earned (**Communicate Incentive Potential to Front**

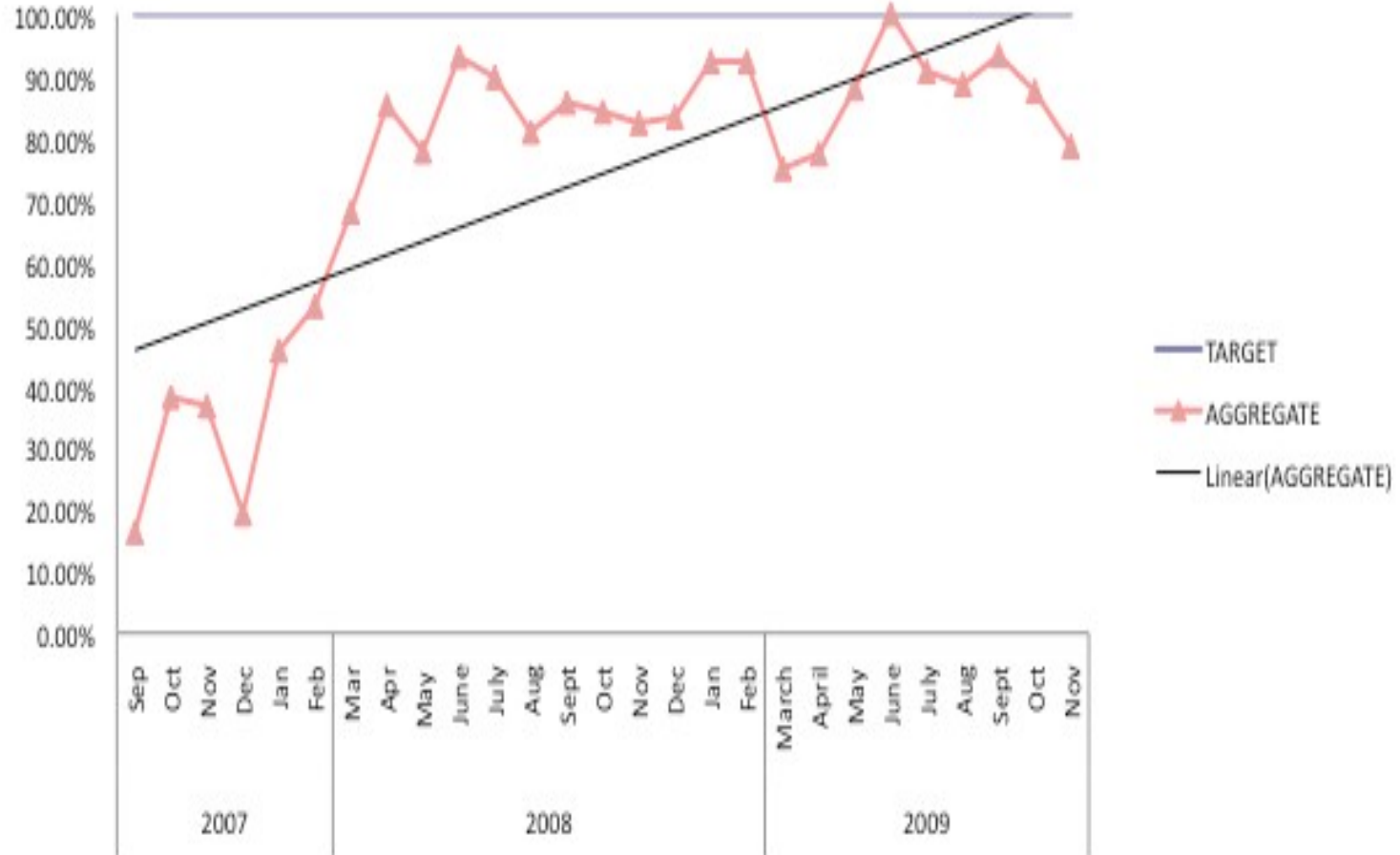
Necessary Components

- Communication Must Occur From Executive Level to Front Line
- Data must be available to support decisions about incentives earned
- There must be feedback – frequent, relevant, accurate
- Incentive targets must be reasonable and achievable—stretch is good; impossible is not
- Front Line and Supervisory Staff Indicated that Incentives must be Meaningful and be Provided to the Front Line Staff
- There must be an opportunity to discuss progress, barriers, etc. openly – no imbalance of power perceived and/or real
- Best if payee is willing to provide ongoing technical assistance/training. This assures participants that the opportunity is genuine
- Honesty, transparency, competition is very good if balanced with an investment in the good of all

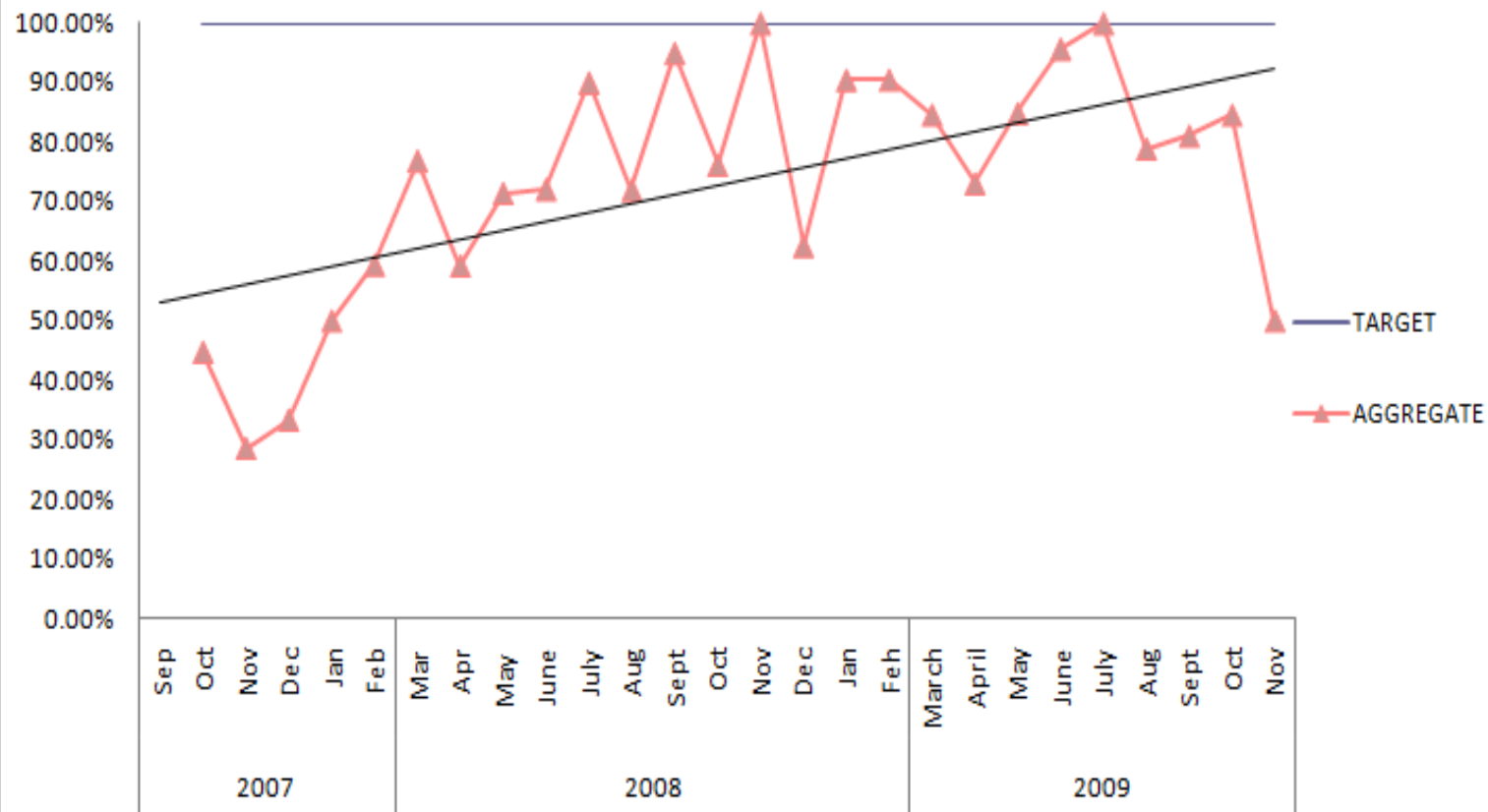
Does PBCQA Promote Outcome Improvement?

- General Child Welfare Outcomes Began to Show Improvements Prior to Implementation of QIC-Related Contractual Incentives
 - Improvement Continued Throughout Project
 - Improvements to General Outcomes Also Occurred At Control Site – Associated with System Improvement Changed
- Attention to Specific Practice Outcomes Led to Definitive Improvement to Measures
 - Bio-Parent Contact Showed Improvement
 - Supported by Practice Changes and Implementation of Best Practice
 - Supervisors and Front Line Staff Report Improvement to Case Practice and Support Due to Supervisory

Aggregate % of Cases Reviewed within Initial 4 Days



Aggregate % of Cases Reviewed within 30 - 45 Day Time Frame



Aggregate % of Cases Meeting Contact with Biological Parent Requirements



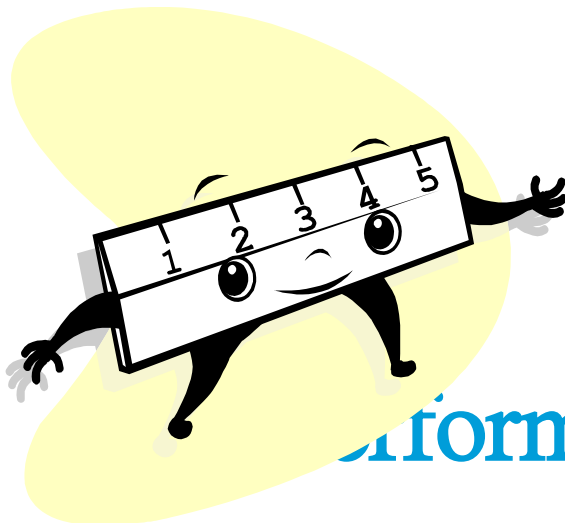
Contextual Variables Contributing to Contract

- Multiple initiatives designed to improve outcomes at both the experimental and control site impacted child welfare outcomes.
 - Re-Design of Front End Diversion Services
 - Focus on Prevention Services
 - Participation in Federal Demonstration and Grant Projects
 - Breakthrough Series Collaborative
 - Family Connections Grant
 - Intensive Reunification Program
 - Youth Villages Intensive Services
 - Solution Focused Casework
- Focus on Practice Improvements Designed to Support Contractual Outcomes
 - Improved Family Engagement
 - Family Finders Initiative
 - Family Team Conferencing

Evolution of Program Features and Contract

Monitoring over Time

- Quality Assurance Processes Change, Improved and Evolved
 - Performance and Outcome Driven Rather than Compliance Driven
 - Effective feedback – Frequent, Relevant, Accurate
- Meaningful meetings – discuss practice change, training, workload issues, successes, etc.
- Staff Involvement was Expanded to Include Supervisory and Front Line Staff
- Communication Methods Changed to Ensure the Intent and Message of the Project was Understood at the Front-Line Level



Striving for Excellence:
Performance Based Contracting in
Residential Treatment

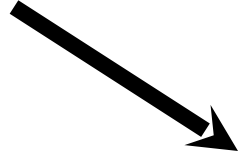
Goal 1:

**Improve Safety/Stability
During Treatment**



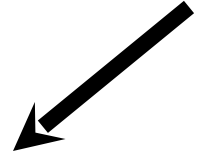
Goal 2:

**Effectively and Efficiently
Reduce Symptoms/
Increase Functionality**



Goal 3:

**Improve Outcomes At
And Following
Discharge**



Indicator:

Treatment Opportunity Days Rate

(Original) Indicators:

**Immediate Discharge Disposition
Sustained Positive Discharge
Length of Stay**

Indicator:

*** Sustained Favorable Discharge Rate**

Treatment Opportunity Days Rate

- Percentage of time in treatment during a residential stay (spell) at a facility where the child/youth is not on the run, in detention or in a psychiatric hospital

Active Days

Active Days + Interruption Days

Percentage of total annual (fiscal year) residential spells resulting in sustained favorable discharges

- **“Favorable”** = positive step-down to less restrictive setting or a neutral discharge in a chronic setting (e.g. mental health or DD)
- **“Sustained”** = remain in discharge placement for 180 days or more
- **“Unfavorable”** = negative step-up to a more restrictive setting, disrupted placement, or lateral move to another residential facility or group home

Does Inclusive Planning Process Promote

Broadscale Buy in? Yes!

- 400 + Collaborative Meetings since project inception with no end in sight!
- Performance measures developed and refined through public/private partnership using the existing CWAC structure
- Statewide provider forums, D-Net, list serve, informal monthly Residential Provider Group, and CCAI *Monday Report* used as communication tools

Necessary Components of PBCQA:

- Do not even attempt PBC without
- Good, reliable data which will be consistent over time
 - Capacity for QA/CQI in both the public and private sectors
 - A significant (1 year) period of time to jointly plan and develop:
 - Outcome measures
 - Operational definitions
 - Communications plan
 - Conflict resolution and reconciliation process

Alignment is Critical

- Align the following in both the public child welfare agency and private agencies:
 - programmatic,
 - fiscal/budget,
 - quality assurance,
 - operations, and
 - leadership
- Determine if other external entities must also be aligned, e.g. schools, community mental health
- Establish an Implementation Team in the public child welfare agency to cut through bureaucratic silos

Preliminary Findings

Lower Performing Agencies

- Staff in the lower performing agencies blamed the children and youth for their poor performance
 - “Toxic parents” caused this damage and we are trying to save these kids and shouldn’t be punished for taking care of them
 - “I don’t care what they say, our kids are tougher than anyone else’s”

Preliminary Findings

Higher Performing Agencies

- Had more defined treatment models and quality assurance systems in place to track fidelity to the model
- But, still had not infused PBC measures into their QA systems
- Had staff meetings to describe PBC, but did not formally train on the fundamentals or best practices associated with the measures

Preliminary Findings

Lower Performing Agencies

- They did not have a clearly defined treatment model
- They did not have functioning quality assurance systems
- No changes were made to hiring practices, supervision, or training protocols to support implementation of PBC
- Staff were aware they should discourage runs, psychiatric hospitalizations and detentions, but did not understand why

Are Outcomes Improved?: Treatment Opportunity Days

Rate

■ FY 2008

- 71 Contracts (40 Agencies)
- 32 Contracts met or exceeded FY 2008 performance benchmarks

45%

■ FY 2009

- 69 Contracts (39 Agencies)
- 38 Contracts met or exceeded FY 2009 performance benchmarks

55%

(Net gain of 2,587 Days)

Sustained Favorable Discharge Rate

FY 2009 Performance

- System-wide, the private agencies exceeded their benchmarked goals for FY 2009

Total “spells” in care = 1969

Projected FY09 SFDs = 294

Actual FY09 SFDs = 342

FY 2009 Fiscal Penalties and Incentives

- For failing to meet Treatment Opportunity Days benchmarks, 24 agencies (out of 41) were penalized for a total of \$712,033 with median penalty of \$23,915.
- For exceeding Sustained Favorable Discharge Rate \$3,083,515 was awarded to private agencies in fiscal incentives with average award of \$44,449.

FY09 SFDR Performance Implications

Length of Stay

FY09 Preliminary SFDR Performance: Average Length of Stay of Youth Favorably Discharged

Class level	Spec pop	# Spells	Benchmark SFDR	Actual SFDR	Diff: Actual - Bmk	# Favorable Discharges	LOS _{Avg} - FD
Moderate	No	41	10.62	24.39	13.77	13	726
		43	16.83	30.23	13.40	15	597
		28	12.45	21.43	8.98	8	331
		23	14.37	21.74	7.37	5	566
		27	15.87	18.52	2.65	7	887
		25	13.96	16.00	2.04	4	1008
		85	13.28	15.29	2.01	17	429
		49	16.54	16.33	-0.21	10	503
		6	18.35	16.67	-1.68	1	-----
		40	23.05	17.50	-5.55	8	364
		45	16.95	8.89	-8.06	8	422

Immediate FY11 PBC Changes

- Use risk adjustment to raise expectations for reduced length of stay
 - Change length of spell risk factor
 - More accurately reflect probability of sustained favorable discharge
 - Apply multiplier to length of spell risk factor
 - Increase expectations across all providers

Immediate FY11 PBC Changes

- Assess penalty to lowest performers on SFDR
 - Impact length of stay, non-sustained favorable discharges, negative discharges
 - Based on average of “foregone savings” for 90 days for number of youth below benchmark
 - Assessed against providers in bottom 25% of performance
 - Penalty placed in abeyance for one year****
 - Forgive penalty if provider meets / exceeds benchmark the following year

Immediate FY11 PBC Changes

- Improve accuracy of performance evaluation
 - Issue preliminary benchmarks
 - Based on population in residence, beginning FY11
 - Update preliminary benchmarks, mid-term
 - Issue final benchmarks
 - Based on actual population served during FY11
- Control cost of incentive payments
 - \$2,000,000 cap set

Illinois: Leading Change

- Establish a sense of urgency
- Form a powerful guiding coalition
- Create a vision
- Communicate the vision
- Empower others to act on the vision
- Plan for and create short-term wins
- Consolidate improvements
- Institutionalize new approaches

*Kotter, Leading Change: Why Transformation Efforts Fail
Harvard Business Review on The Tests of a Leader (2007)*

MISSOURI'S EXPERIENCE: History

- Performance based foster and adoption case mngt contracts awarded 6/1/05
- As of 4/30/10 approximately 28% of the foster care population served through this contract
- All case mngt duties are transferred
- Fiscal risk/incentive attached to permanency

Research Question 1:

Does an inclusive and comprehensive planning process produce broad scale buy-in to clearly defined performance-based contract goals and ongoing quality assurance?

Collaboration

Contract development (state level)

Contract implementation (local level)

Include courts, staff who will be losing cases

On-going CQI process (local, regional, state)

Problem resolution

Quality assurance

Best practice discussions

Necessary Components that Promote Greatest

Improvement

- Transparency of outcomes for public and private sectors
 - Mirror/pilot units developed for evaluation purposes can create an “us” vs. “them” mentality
 - Calculation of outcomes in child welfare arena is complicated
 - Case transfers
 - Targets difficult to establish
 - SACWIS conversion can delay outcomes

- Adequate compensation
 - Actuarial study
- Caseload equalization
 - Difficult to achieve
 - Siblings in care
 - Moving target
 - Difficult to maintain
 - Caseload composition can skew over time

■ Shared QA processes

- Joint QA activities lead to greater impact on improving outcomes.
 - Case reviews (Peer Record Review, Practice Development Review)
 - CFSR/PIP
 - Contract oversight specialists (visitation, permanency reviews)

Research Question 3

When operating under a performance-based contract are the child, family and system outcomes produced by private contractors better than those produced under previous contracting systems?

Performance Measures

Missouri Outcome Targets

Contract Incentive Measure

Annual Target

Re-entry

91.4%

Stability

82%

Permanency

St Louis
32%

Springfield
24%

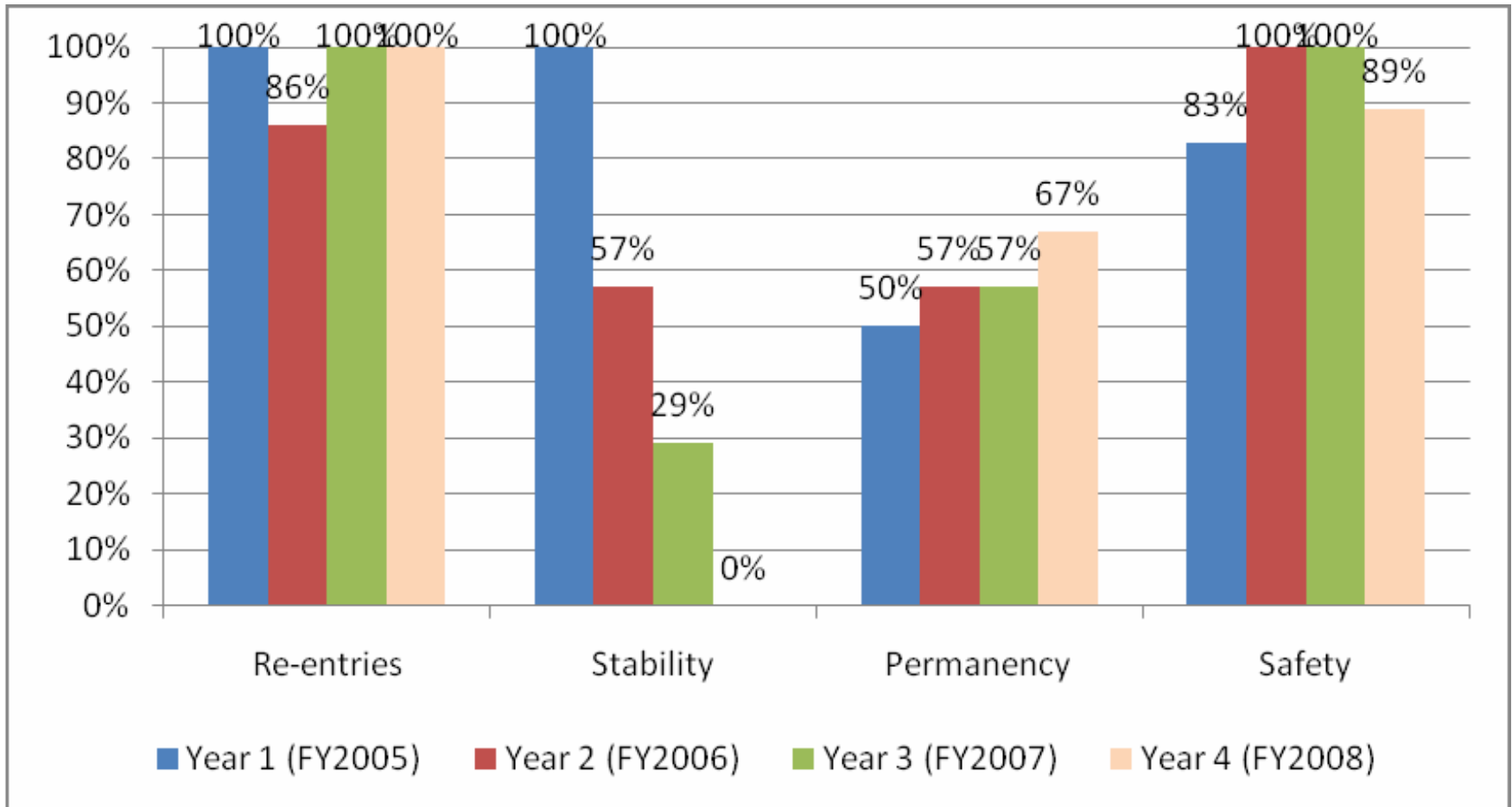
Kansas City
30%

Safety

99.43%

Performance Achievement

Missouri Benchmark Achievement Percentage



Improved Outcomes

- Permanency has improved
- Re-entries have not increased
- Stability
 - 1st year examined moves for 12 month period
 - Moves then became cumulative for cases that remained open
- Safety
 - Performance decreased in Yr 4 but still performing very well.

Contextual Variables that Appear to Independently Promote Performance

- Legislature's commitment to PBC and COA
- Local influences
 - Court philosophy regarding TPR and relative placement
 - Family to Family initiative
 - Fostering Court Improvement
 - Consent Decree/Jackson County

Evolving Program Features and Contract Monitoring

- Redesign of contract to address annual rebuild issue
 - Incentive to reduce caseload throughout the year
- Role of Oversight Specialists
 - Considerable amount of training and communication needed to transition staff from case manager role to quality assurance role

· **To join the QIC PCW listserv and participate in quarterly cross-state dialogue on topics related to partnership, email jghall2@uky.edu**

· **QIC PCW's Ongoing Approach to Information Dissemination**
<http://uky.edu/socialwork/qicpcw>

· **Findings from knowledge gaps analysis and literature review. Proceedings Documents**

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