A Five Year Study of the National Quality Improvement Center on the Privatization of Child Welfare Services:

Innovations in Performance-Based Contracting and Quality Assurance Systems

QIC PCW Team

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Presentation Outline

QIC History and Concept
QIC PCW Process
Overview of the Projects
Cross-Site Findings
Successes and Lessons Learned

The Quality Improvement 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, the 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 of Data Led to Selection of Topical Focus Area for Sub-grants

Initial NAB/CB Discussions

Key Informant Discussions with PCW Administrators

Discussions with Stakeholder Groups

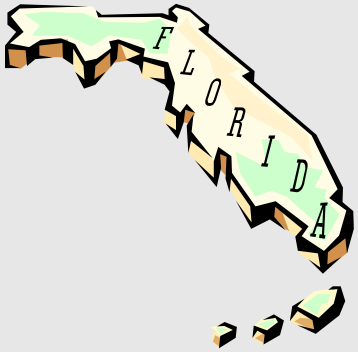
Targeted Forums with Experienced States

Literature Review

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

- **CW outcomes**
- **Quality service delivery**
- **Accountability**
- **Collaboration**

The Funded PBCQA Project



Florida

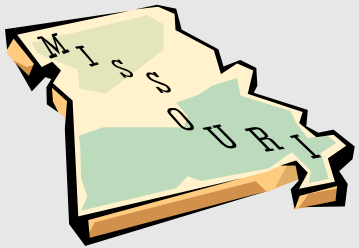
Department of Children and Families Judicial Circuit 5,

Kids Central, Inc. and J. 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 children's agencies and the University of Missouri-Columbia

Florida Department of Children & Families and Kids Central, Inc.

David DeStefano
J.K. Elder & Associates
Florida Project Evaluator

Focus of the FL Project

- Is a 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

Focus of the FL Project

To demonstrate the effect of:

- The use of an ***inclusive and comprehensive planning process*** in the development of a performance-based contract for case management services which ***includes performance incentives and disincentives*** (shared risk among service provision partners); and

- The ***enhancement, integration and alignment of the quality assurance process*** with the performance-based contract expectations on child welfare outcomes

Context

Site: Florida

Target population : All foster care cases

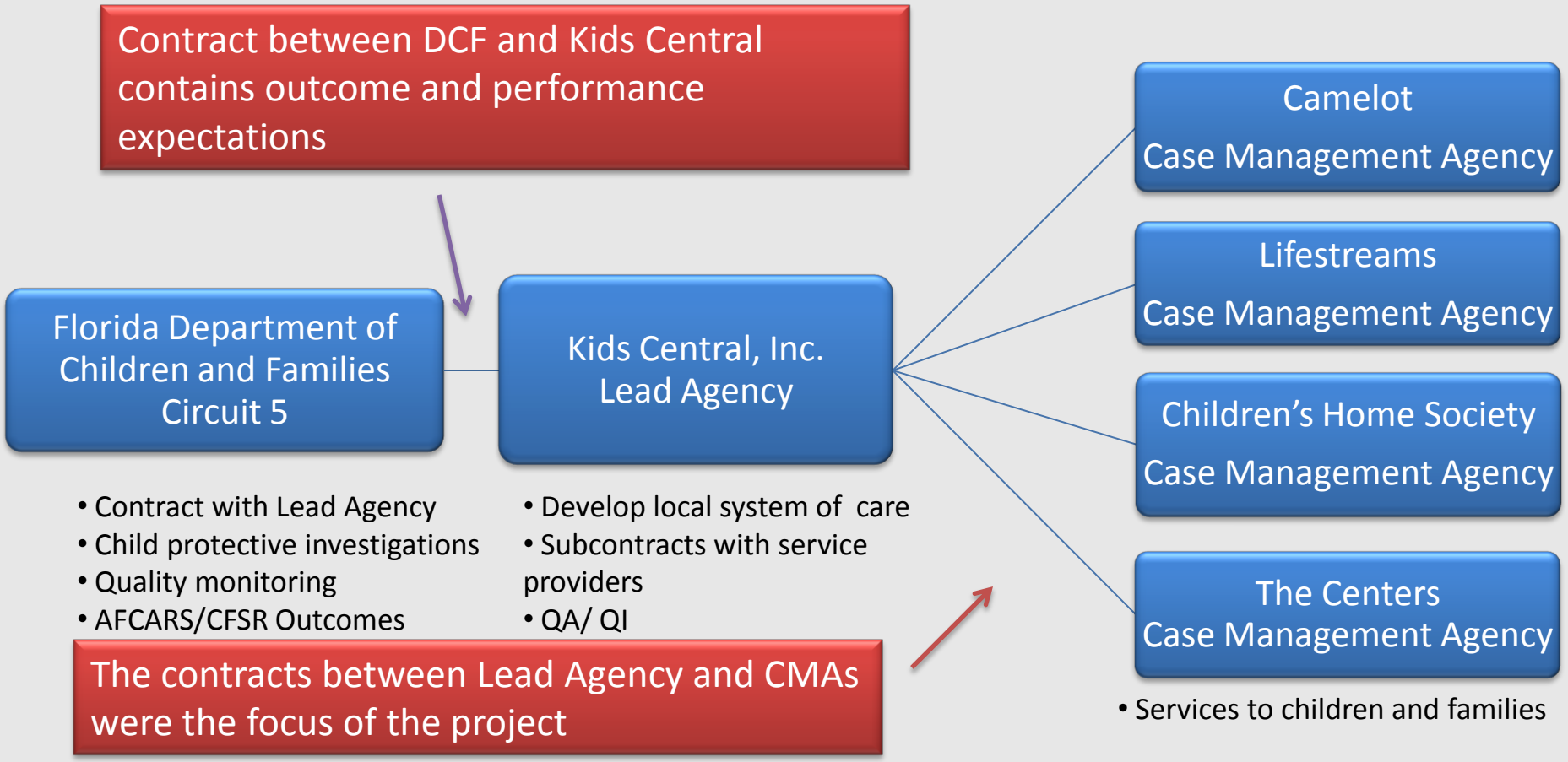
Geographic Coverage: Florida's Judicial Circuit 5 (formerly District 13) which includes Lake, Sumter, Marion, Citrus and Hernando counties

Contractor: Private not for profit Lead Agency

Date Contract Initiated: July 2007

Date Payments Linked to Performance: July 2007

Project Structure



Project Structure

Contracts with Case Management Agencies

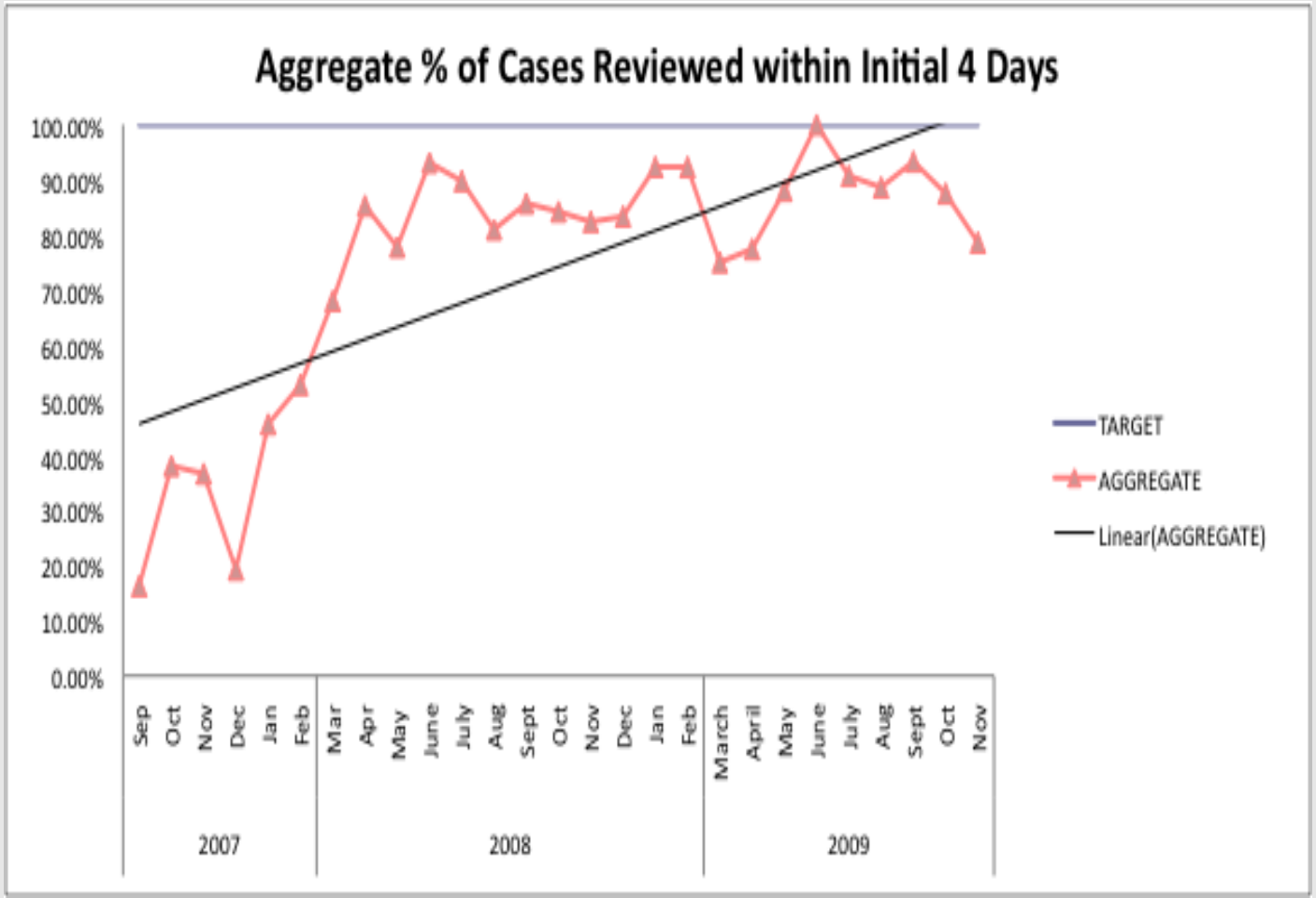
- ***Standard contract***
  - Contains outcome expectations based on State's contract with Kids Central
  - Payment for services (base contract by FTE)
- ***Project team negotiated additional performance based measures***
  - In addition to standard contract outcome expectations
  - Incentive payment to Case Management agencies for meeting performance expectation
  - Each CMA could earn approximately $60,000 annually (approx. 1% of contract) in incentive payments

Collaborative Negotiation

- **Utilized neutral facilitator**
  - Allowed Kids Central to come to table as equal partner in the negotiation process
- **Discussed and agreed to 4 additional performance measures**
  - Supervisory reviews at 2 to 4 and 30 to 40 days (Practice Measure)
  - Contact with both birth parents every 30 days (Practice Measure)
  - Case data entry within 2 days (Rearward looking measure)
  - Achieving permanency with 13 – 17 year olds (Outcome Measure)

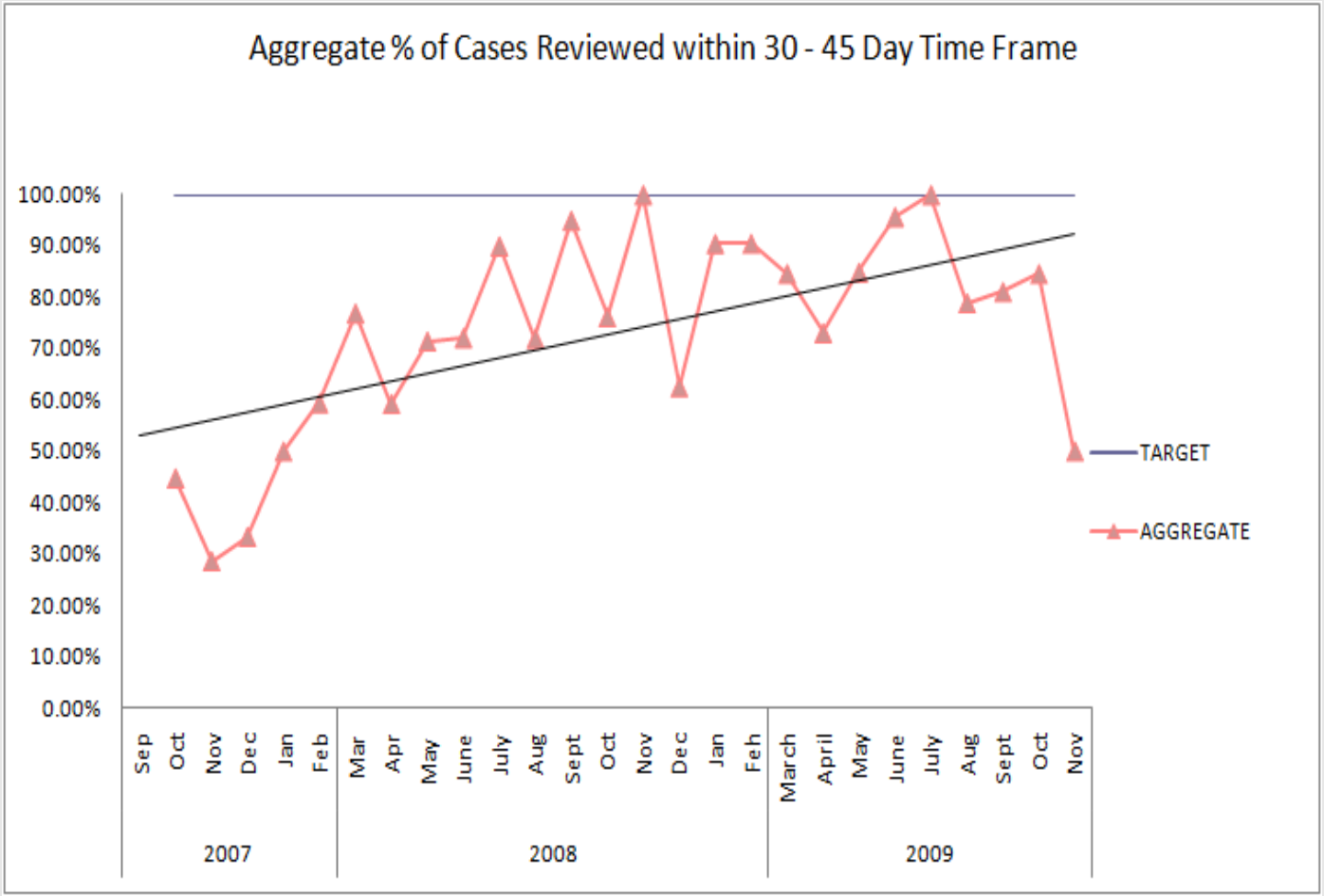
Face to Face Supervision within 4 Days of Case Receipt

Measure:
Between 2-4 working days all new cases transferred for services from PI investigation will receive a supervisory screening with worker, again between 30-45 days and quarterly thereafter.



Face to Face Supervision at 30 to 45 Days

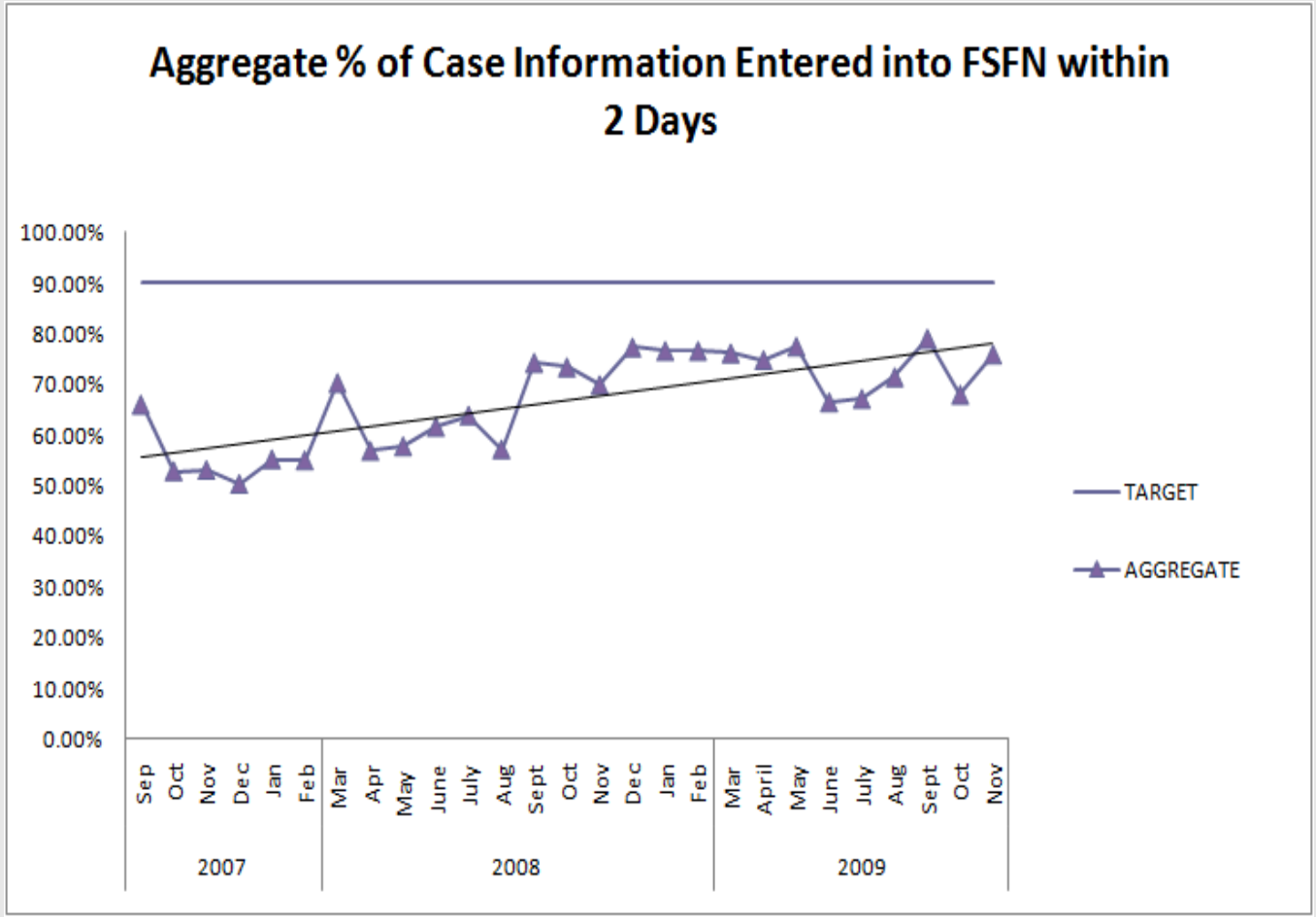
Measure:
At between 2-4 working days all new cases transferred for services from PI investigation will receive a supervisory screening with worker, again between 30-45 days and quarterly thereafter.



Case Information Entered within 2 Days

Measure:
All case information will be entered into Florida Safe Families Network accurately and in a timely (within 2 working days) manner:

The providers hall input and update all required case management information into the Florida Safe Families Network data information system. Provider shall correct all errors indicated on the AFCARS Error Report minimally on a monthly basis and also by request from Kids Central

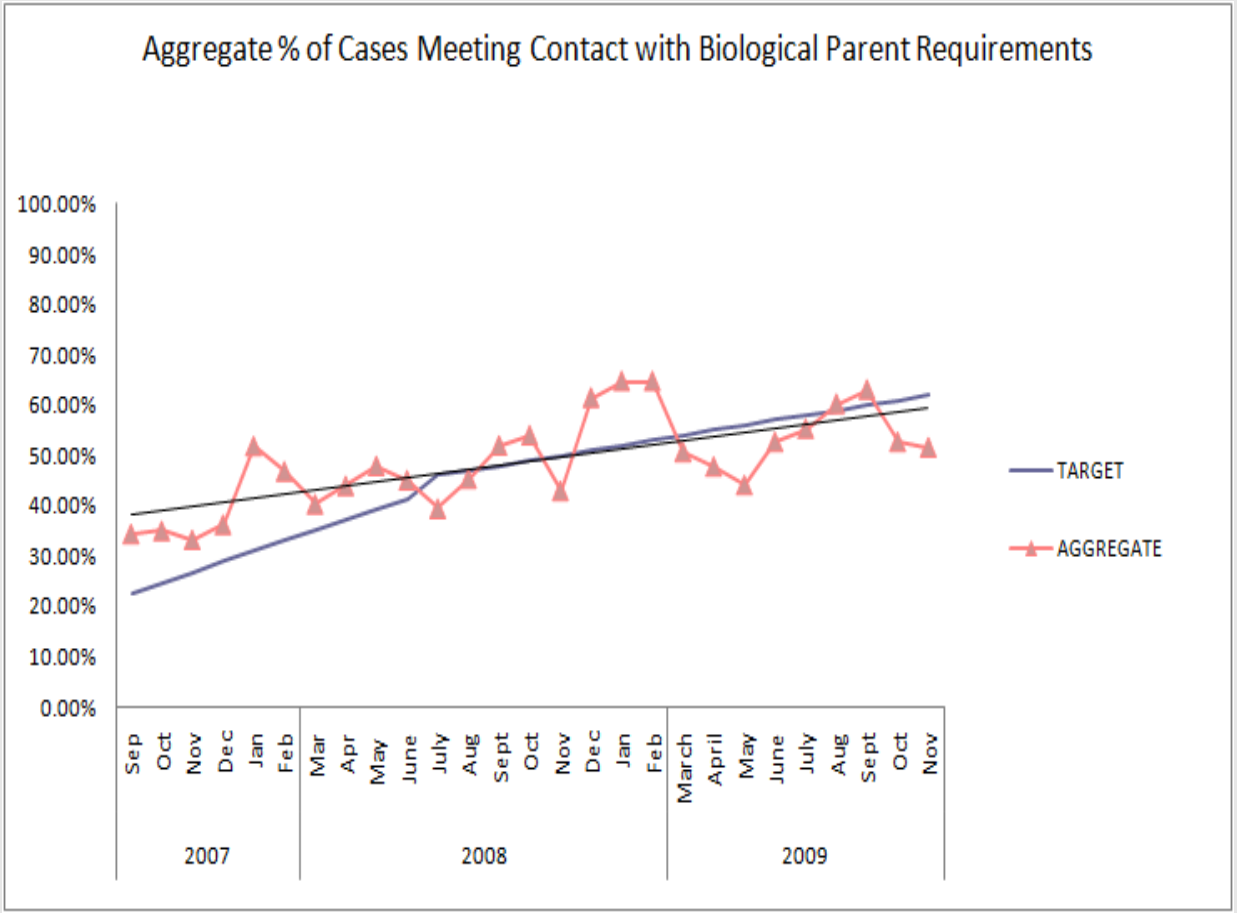


Face-to-Face Contact with Biological Parents

Measure:

Case managers of children in out of home care will have contact with biological parents.

Contacts with biological parents will increase by 25% during the first year and then 12% thereafter. Contact will be tracked on an ongoing basis utilizing an agreed upon set of questions: (ie: describe your involvement with your case planning process; what is the hardest thing for you to achieve in the case plan; easiest? Etc)



Permanency

Measure:
Case management agency will work to achieve one of the three mentioned permanency options for youth aged 13-17 and then maintain the permanency for 6 mos.

Level 1: Youth Return to Parent

Level 2: Youth has legal guardianship/kinship care situation.

- Measure proved difficult to measure against a baseline or expectation
- Incentives paid based on youth being reunited or being placed in a guardian or kinship situation

Key Findings & Lessons Learned in Florida

- 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.***

Key Findings & Lessons Learned

- ***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 Relate Directly to Practice Had Less Effect on Behavior and Impact on Outcomes (Data Entry and Permanency)

Key Findings & Lessons Learned

- ***Incentives have greatest impact when 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
  - Amount of incentive payment was less meaningful than the recognition
- Knowing what could be earned could be as important as what was actually earned **(Communicate incentive potential to front line)**
- ***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

Key Findings & Lessons Learned

- ***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

Key Findings & Lessons Learned

- ***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 & front line staff report improvement to case practice and support due to supervisory engagement (Supervisory Reviews)

Key Findings & Lessons Learned

- ***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

Key Findings & Lessons Learned

- Focus on Practice Improvements Designed to Support Contractual Outcomes

  - Improved family engagement
  - Family Finders Initiative
  - Family Team Conferencing
  - Fatherhood Initiative

Key Findings & Lessons Learned

- Quality assurance processes change, improved and evolved
  - Performance and Outcome Driven Rather than Compliance Driven
  - Effective feedback – Frequent, Relevant, Accurate
- Meetings must have structure and purpose – discuss practice change, training, workload issues, successes, etc.
- Staff involvement was expanded to include supervisory and front line staff
- Communication must be active and effective to ensure the intent and message of the project was understood at the front-line level

"Striving for Excellence"
Using Performance Based Contracting to Improve Outcomes for Children and Youth in Residential Care in Illinois

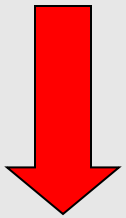
Judge Kathleen A. Kearney

Children and Family Research Center

University of Illinois at Urbana-Champaign

Ever Increasing Challenges

Fewer youth in residential care overall, but greater proportion referred to residential care with histories reflecting severe psychiatric and behavioral problems



High concentration of

extraordinarily challenging youth

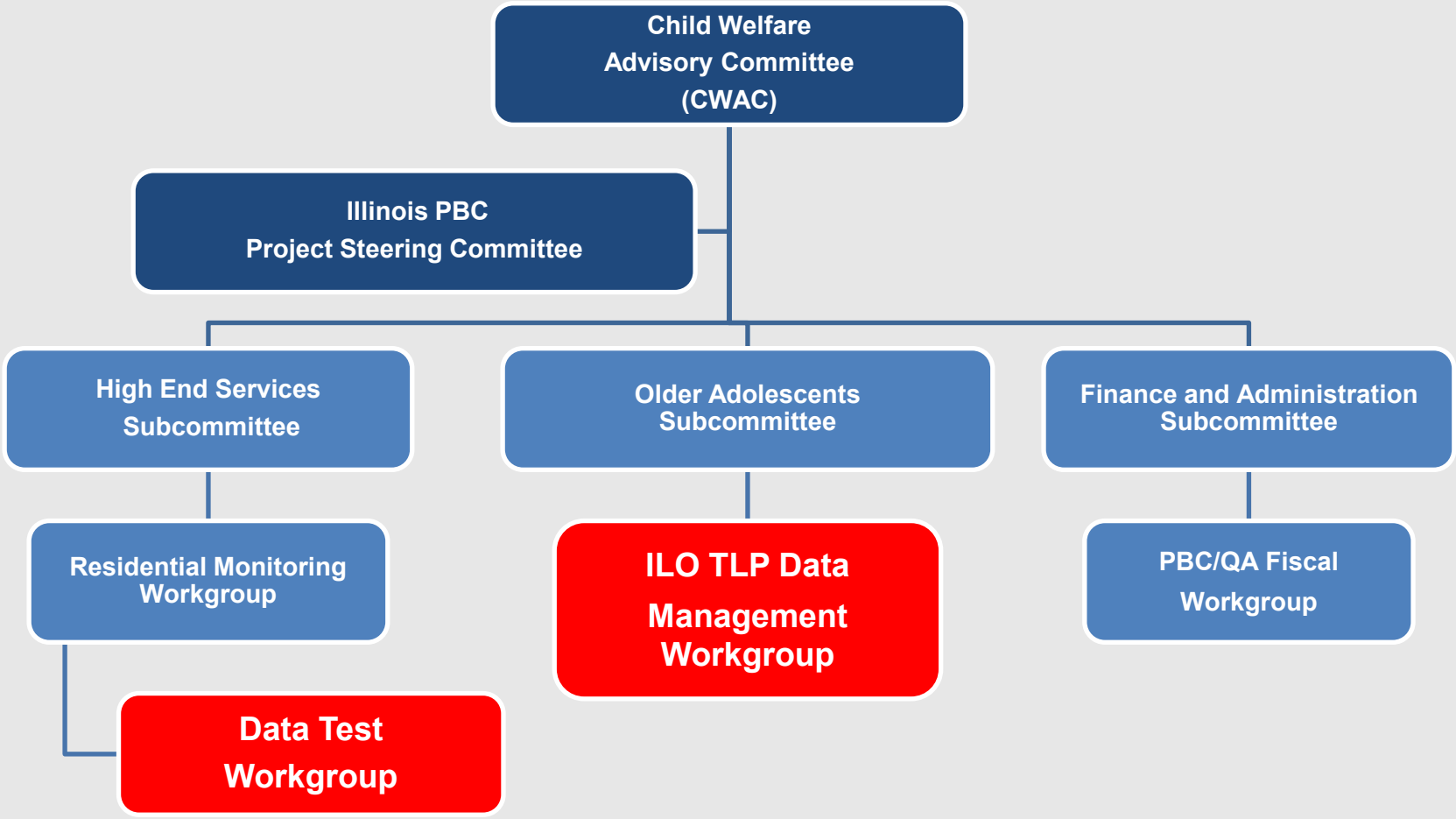
Increasing Residential Costs

	FY2007	FY2008	FY2009	FY2010	FY2011
Institutions/Group Homes	$ 136,579,223	$ 139,656,125	$ 159,573,894	$ 164,096,410	$ 165,182,300
Independent/Transitional Living	$ 56,842,602	$ 57,289,652	$ 52,966,965	$ 50,960,332	$ 52,706,300
Shelters & Support Costs	$ 19,726,490	$ 25,990,404	$ 28,412,441	$ 28,918,357	$ 29,329,900
Foster Care	$ 261,817,102	$ 250,306,626	$ 257,292,076	$ 252,448,484	$ 255,708,900
Foster Care Support Costs	$ 58,071,948	$ 55,934,887	$ 56,532,322	$ 55,091,789	$ 56,743,100
	$ 533,037,365	$ 529,177,694	$ 554,777,698	$ 551,515,372	$ 559,670,500
Institution/Group Homes % of DCFS Out-of-Home Care Budget	26%	26%	29%	30%	30%

Note: FY 2011 is the projected and estimated budget.

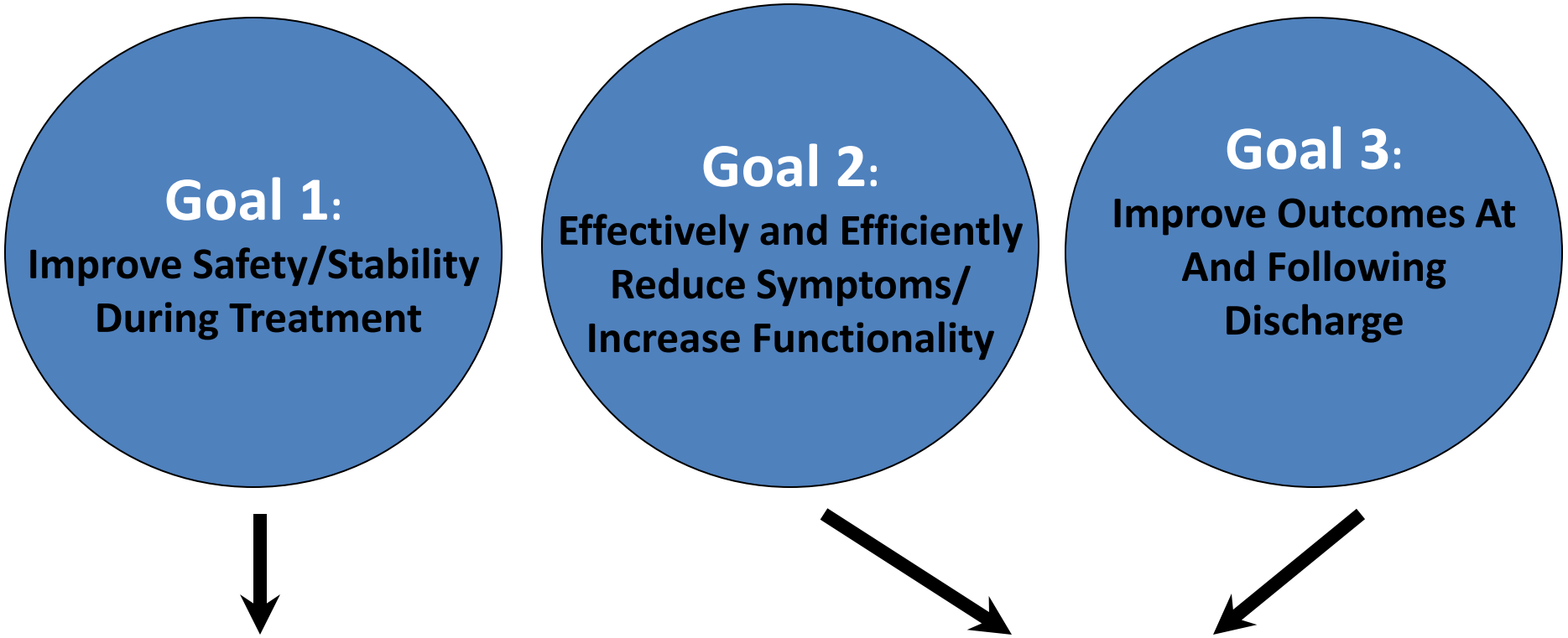
For 8% of Total Youth in Care

Striving for Excellence Organizational Structure



Criteria for Identifying Measurable Performance Indicators

- Do the indicators meaningfully address each goal?
- Do they utilize current available data?
- Do they utilize reasonably reliable data?
  - Unusual incidents (UIRs) v. payment data
  - Use of standardized outcome measure



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

$$\frac{\text{Active Days}}{\text{Active Days + Interruption Days}}$$

Sustained Favorable Discharge Rate

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

PBC Fiscal Model

- Rates standardized first
- Tiered system: moderate RTC, moderate group homes, severe RTC, chronic RTC
- Severe DD excluded
- 100% of agency capacity guaranteed for each fiscal year
- In exchange – there is a “no decline” policy in the contract

Treatment Opportunity Days Results

FY 2008				FY 2009				FY 2010			
TODR	HHF	RNY	DET	TODR	HHF	RNY	DET	TODR	HHF	RNY	DET
93.0%	4.1%	1.9%	0.9%	93.6%	3.6%	1.7 %	1.0%	93.0%	3.8%	2.1%	1.1%
Rate of change from FY 2008				0.7%	-11.8%	-8.8%	9.7%	0.0%	-7.4%	10.7%	16.9%

Note: HHF = psychiatric hospitalization; RNY = runs; DET = detention. The FY 2010 data is preliminary in that formal reconciliation between the Department and private providers is incomplete

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 (14.9%)

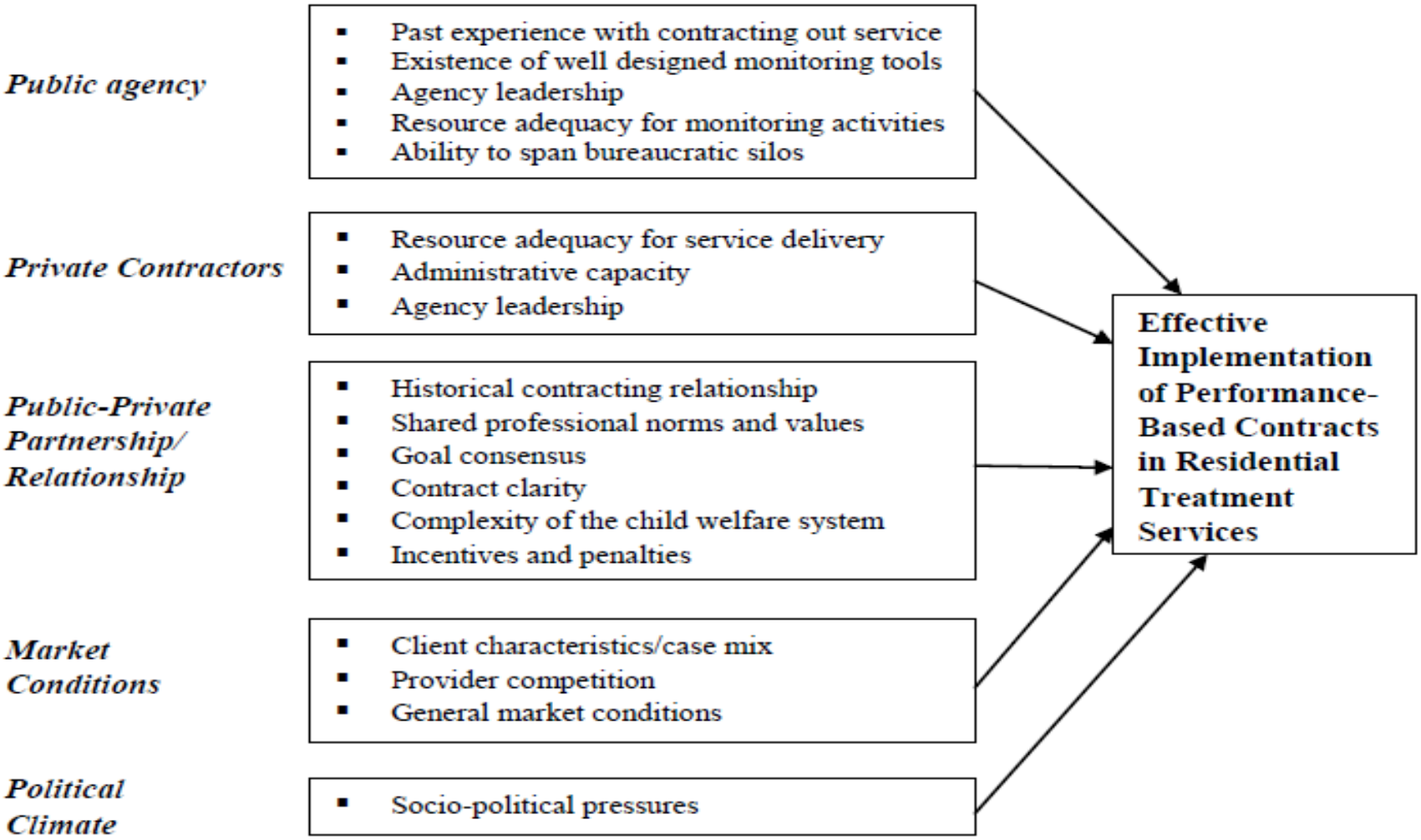
Actual FY09 SFDs = 342 (17.1%)

FY 2009 Residential 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 $3,155,904 was awarded to private agencies in fiscal incentives with average award of $45,227.

Lessons Learned in Illinois



Missouri Children's Division

LeAnn Haslag, Project Manager
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History

- Performance based foster and adoption case mngt contracts awarded 6/1/05
  - Competitive bid
    - Supv and QA plans heavily weighted
    - Accredited providers
  - Start-up Funding (initially)
  - 10 provider consortiums effective 8/11/08
    - 28% of foster care population currently served

PBC Regions

- St. Louis region
  - 4 counties; Base caseload=1,321
- Kansas city region
  - 4 counties; Base caseload=501
- Springfield region
  - 6 counties; Base caseload=465
- Central, South Central, Southwest regions
  - 12 counties; Base caseload=315

Missouri's Model

- All case management duties are transferred
  - Assessment
  - Case planning
  - Placement planning
  - Service planning
  - Permanency planning
  - Resource Development

Missouri's Model Continued

- Fiscal risk/incentive tied to permanency
  - Paid an all inclusive case rate for base caseload
    - Flexibility
    - Continuum of care
  - Monthly referrals to replace those expected to move to permanency, which are not paid for
  - Base caseload is not rebuilt until the end of the contract year
  - Re-entries into care within 12 months served for free

Planning Process/Collaboration

- 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

- 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

Necessary Components Continued

- Adequate compensation
  - Actuarial study
- Caseload equalization
  - Difficult to achieve
    - Siblings in care
    - Moving target
  - Difficult to maintain
    - Caseload composition can skew over time
      - Increased privatization as entries into care decrease

Necessary Components Continued

- 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)

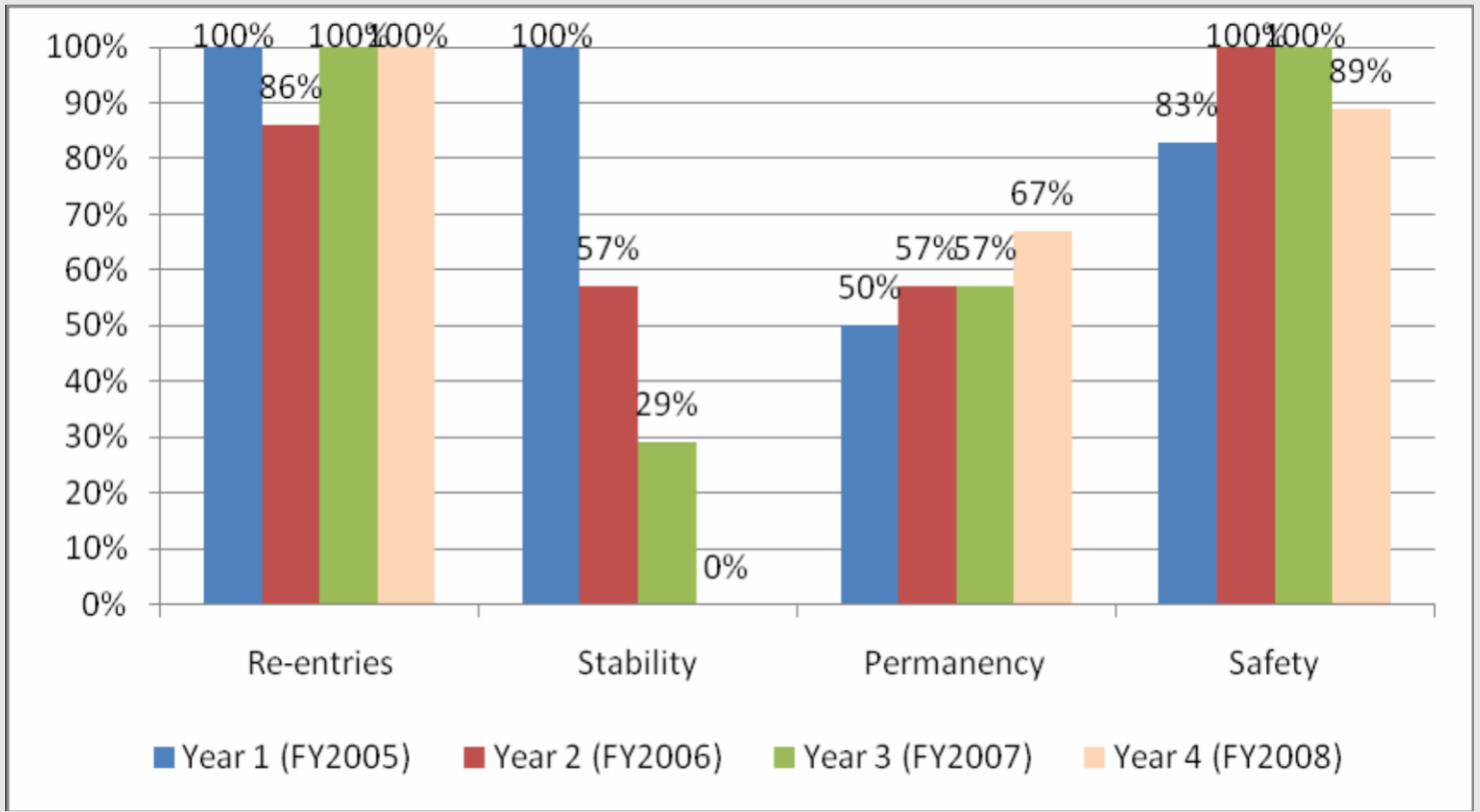
Benefits

- Legislative Advocacy/Shared responsibility
  - Multiple systems to address complex issues
  - Share what works
- Accreditation/Lower caseloads
  - Improved services to children
- Healthy competition
  - Improved accountability for public and private
- Improved outcomes for children

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



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

Cross-Site Evaluation

Teri A. Garstka, Ph.D.
University of Kansas
Lead Cross-Site Evaluator

Three Demonstration Sites: Florida, Illinois, Missouri

Different PBC/QA Interventions Across Sites	• Case management – FL & MO • Residential - IL • Public/Private Structure • Contract Specifications – Incentive/Penalties • Quality Assurance Systems • Organizational or System Supports
Different Designs Across Sites	• Multi-county contractors vs comparison - FL • 3 Regional private contractors vs public mirror sites vs public agency + random case assignment – MO • State-wide private contractors - IL
Different Outcomes Across Sites	• Process & Practice outcomes – FL • CFSR outcomes – MO • Treatment & Discharge outcomes - IL

Cross-Site Evaluation Research Questions

RQ1: Does an inclusive and comprehensive planning process produce broad scale buy-in to clearly defined PBC/QA?

RQ2: What are the necessary components of PBC/QA systems that promote the greatest improvements in outcomes for children and families?

RQ3: When operating under a PBC/QA system, are the child, family and system outcomes produced by private contractors better than those under the previous contracting system?

RQ4: Are there essential contextual variables that independently appear to promote contract and system performance?

RQ5: Once initially implemented, how do program features and contract monitoring systems evolve over time to ensure continued success?

Outcome Performance Analysis

- Two time points of complete data from all sites and referred to as Year 1 (FY2008) and Year 2 (FY2009)

- Contract outcomes include a variety of measures:
  - **% of agency staff who complete required tasks in quality manner - FL**
  - **% of children who are safe, achieve permanency, or re-enter care - MO**
  - **# of treatment days youth remain in agency care - IL; % of children sustained in a favorable step-down discharge for 90 days**

- Analyze the percentage change from Year 1 to Year 2 to determine if there is a significant difference.

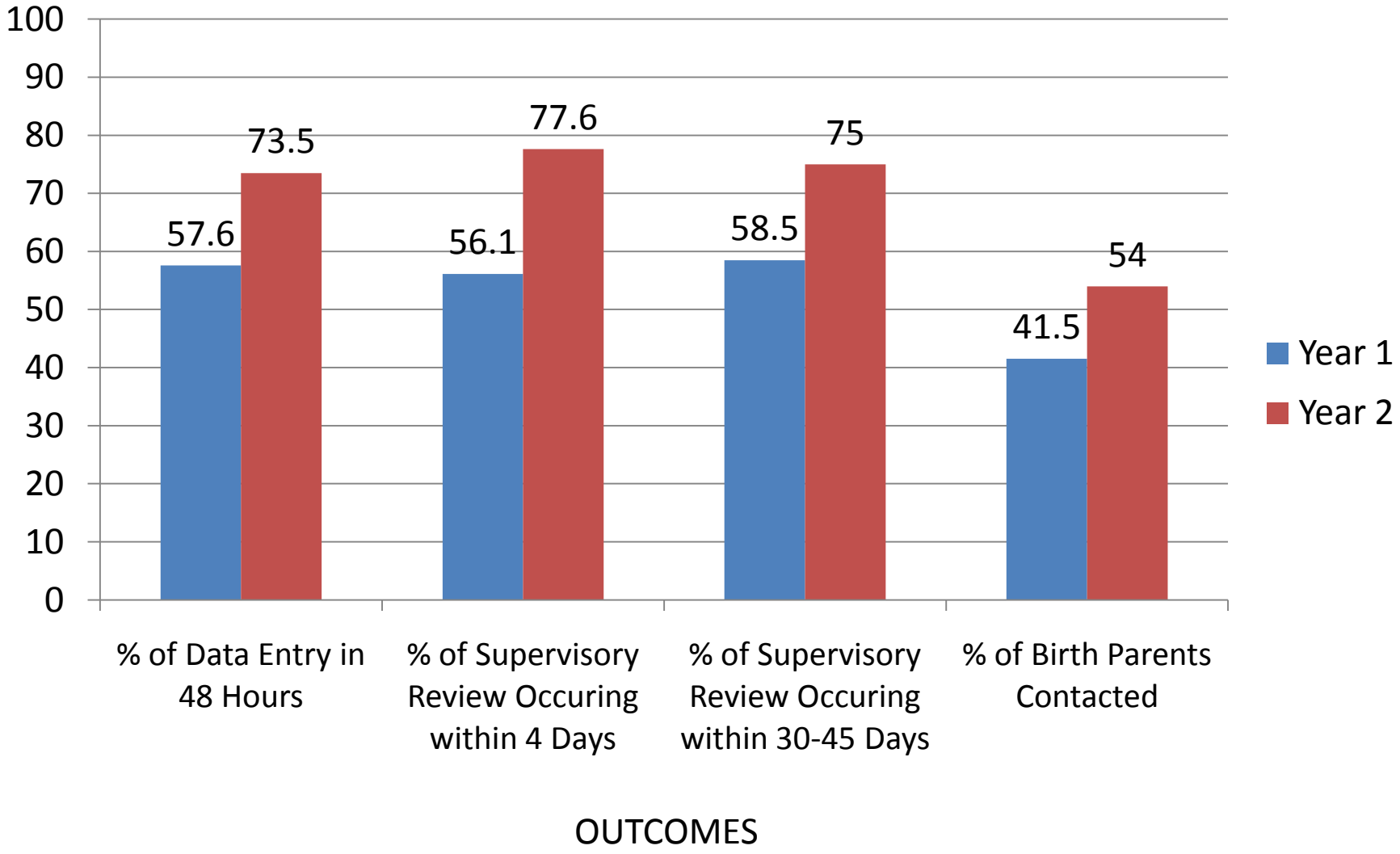
- Assess the extent to which agencies are able to meet their contract targets for outcomes.

- Assess whether performance under PBC across sites improvement over the course of project and whether agencies got better at meeting their contract targets.

- Comparison group and pre-PBC data is not available for all sites, thus this analysis focused only on intervention site change over time post-PBC

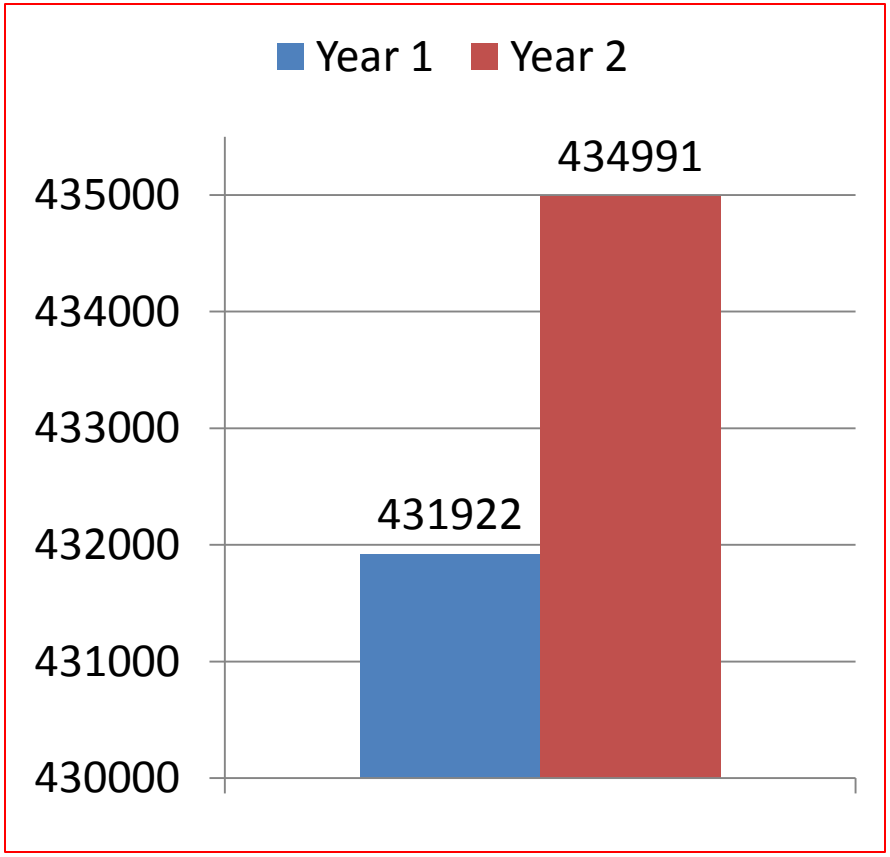
Do Performance-Based Contracts in Public-Private Partnerships Produce Better Outcomes Over Time?

Florida Raw Data on Outcome Performance

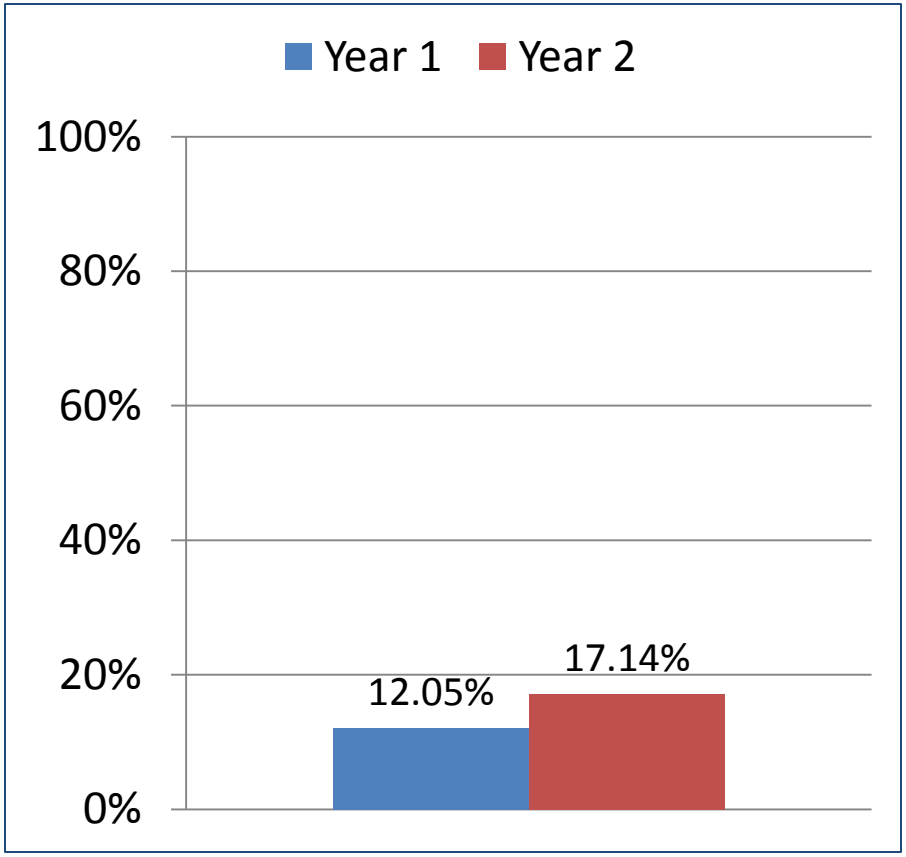


Note: Florida collected monthly data which was aggregated into 12 month time periods for this analysis; all outcomes were incentivized in contracts

Illinois Raw Data on Outcome Performance



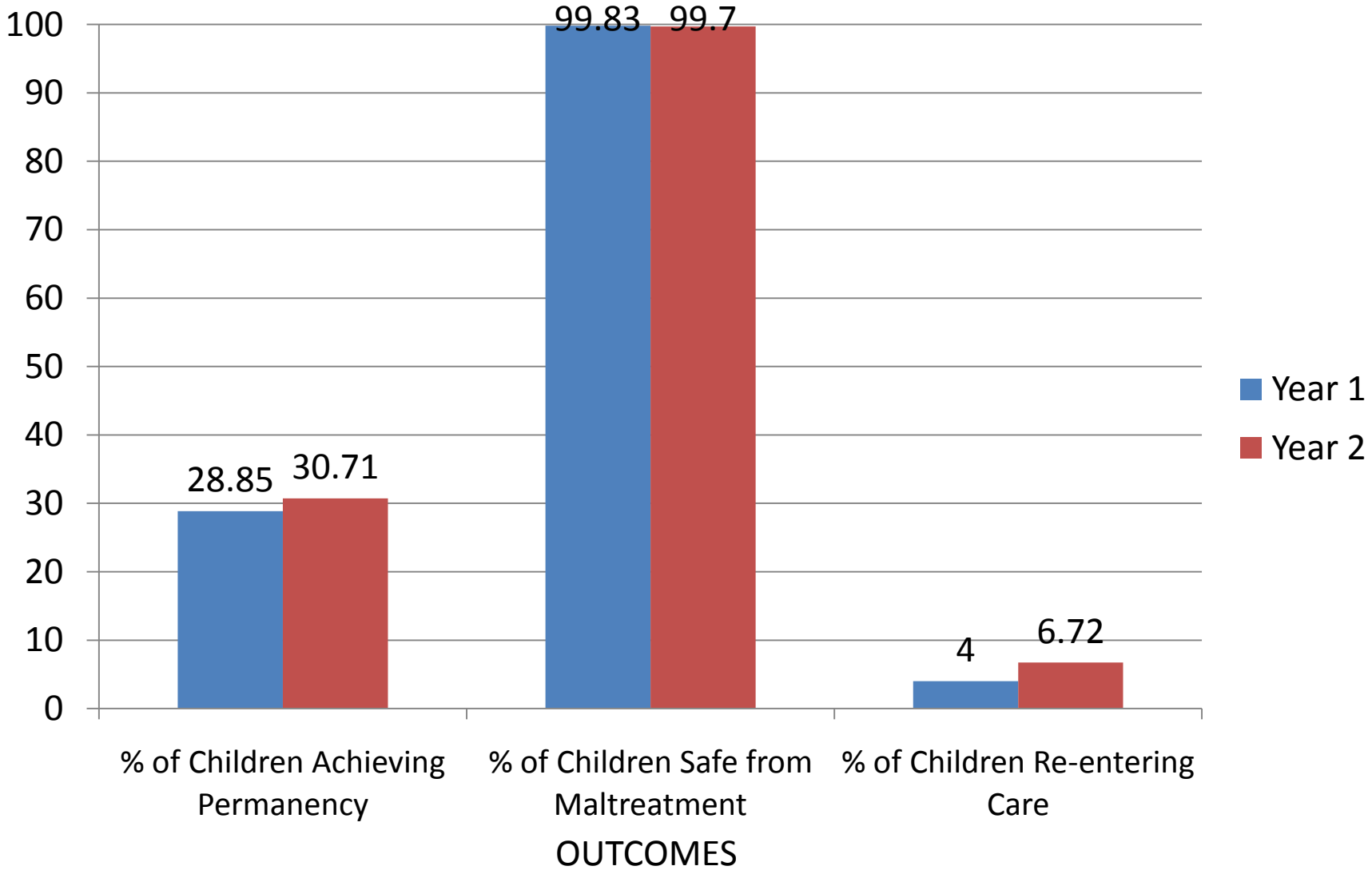
Number of Days Youth Remained in Residential Facilities Across State to Receive Appropriate Care



Percentage of Children Sustained in a Positive Step Down Placement for 90 Days

Note: Illinois held contractors harmless in Year 1, contractors were penalized if they did not meet the required number of treatment opportunity days in their contracts; there was not sufficient data available to analyze performance over time on IL's incentivized measure of sustained favorable discharge.

Missouri Raw Data on Outcome Performance

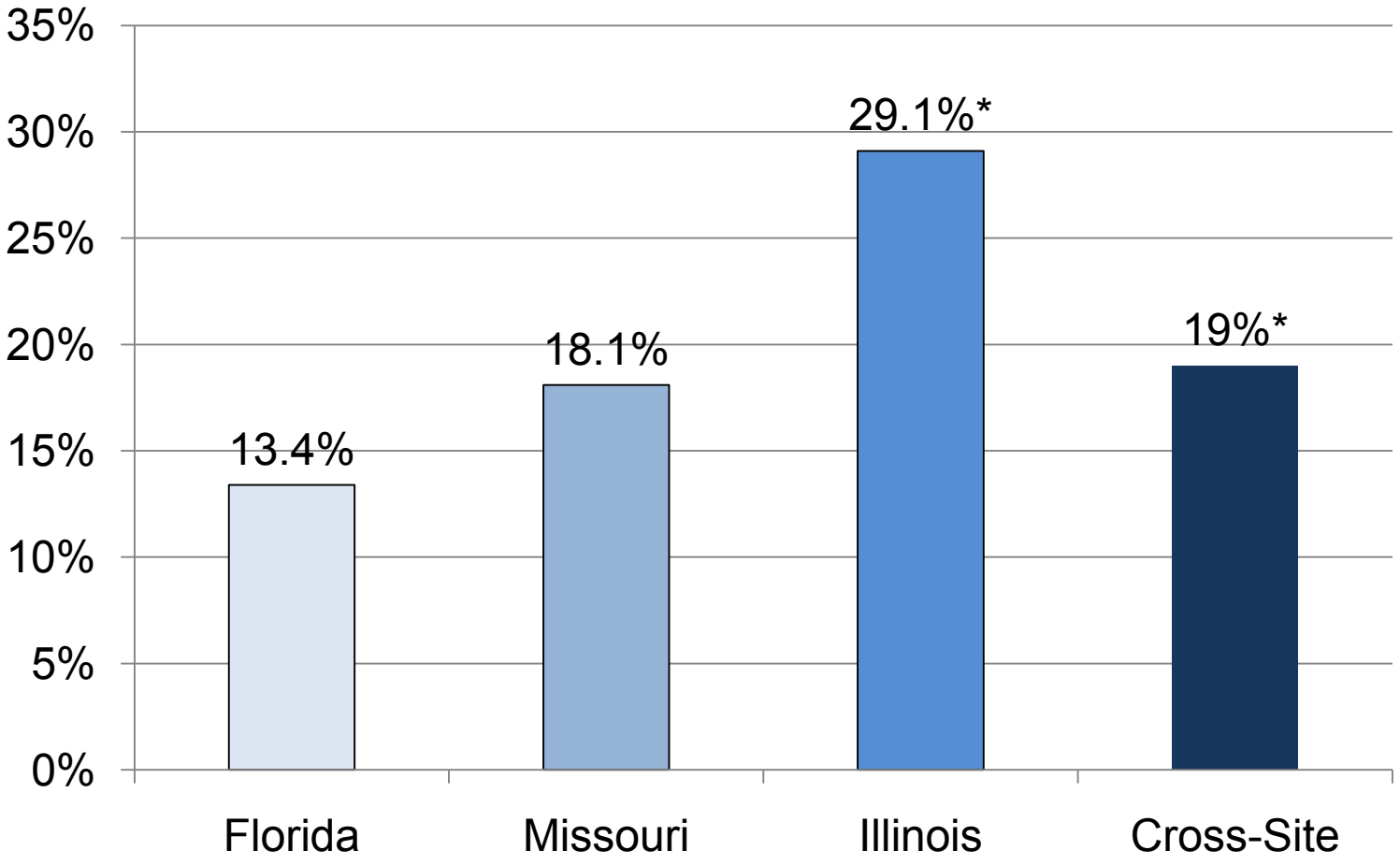


Note: Analyses include only private contractors and do not include public mirror site data; total number of children Y1 = 3249; Y2 = 3228

Across all outcomes and sites, does performance improve or decline?

Percentage of Change in Performance Across Outcomes:

Percentage change = Mean Time 1 performance on all outcomes / (Mean Time 1 Performance on all outcomes – Mean Time 2 Performance on all outcomes)



Note: * Percentages are significantly different from 0 at $p<.05$

Summary:
Change in Performance Over Time

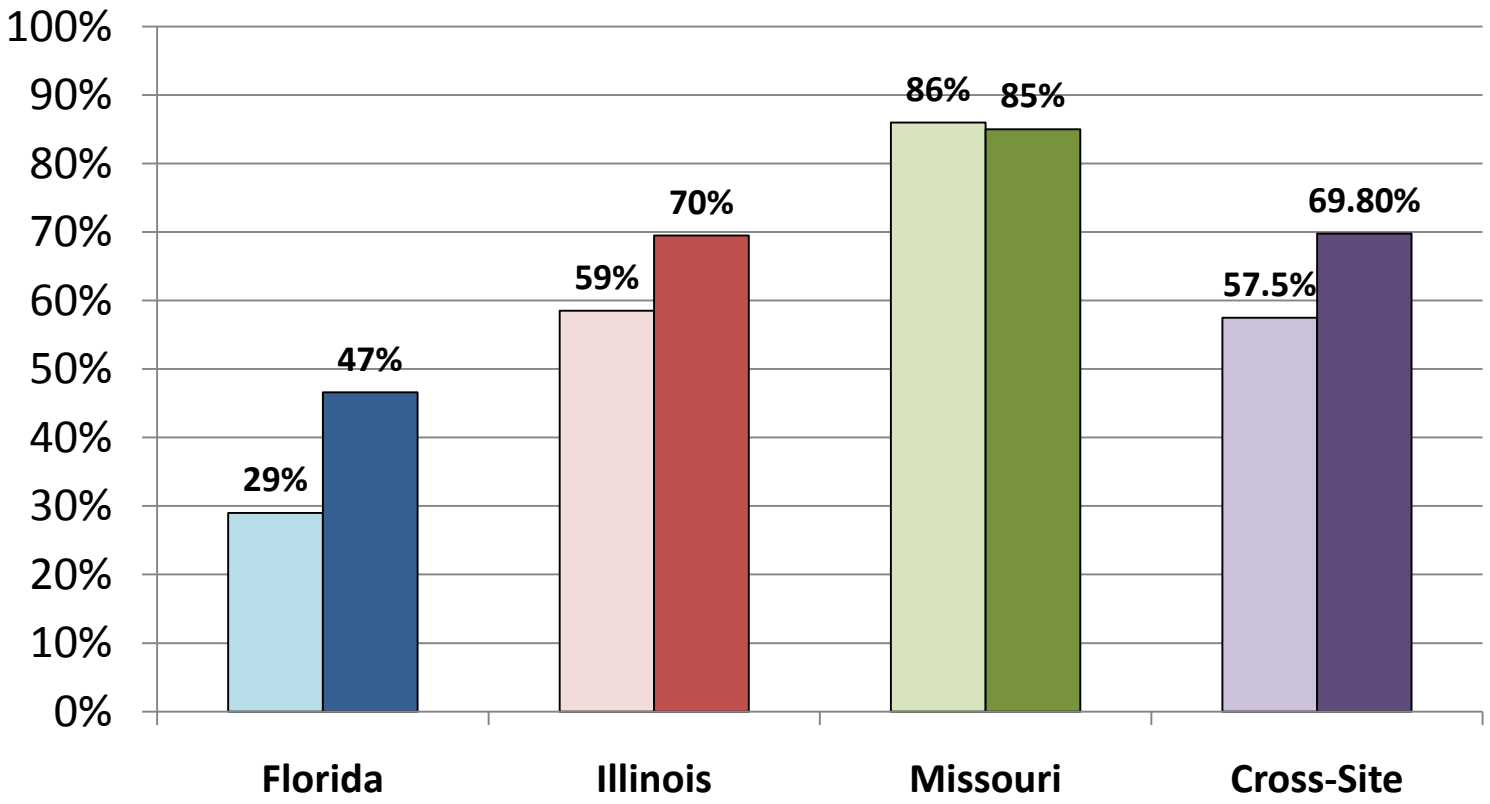
•Raw data from each site shows that for the majority of outcomes, outcome performance by contractors improved from Y1 to Y2 under PBC

• Analyzing that data to determine if this change was significantly different from 0 showed that while all sites showed degrees of positive change over time, Illinois' was the only one that was significant.

• However, the overall percentage of change from Y1 to Y2 across all outcomes and all sites is 19% which is significantly different from 0.

Are agencies able to better meet outcome targets specified in PBCs?

Percentage of Agencies Meeting Their Contract Targets Over Time



How did public/private partnerships work together to achieve these outcomes using performance-based contracts?

Qualitative Data Collection

Site Visits	Document Review	Focus Group	Key Informant Interviews
• 2 visits per year • 2007-2010 • Focused discussion on implementation, evaluation, outcomes, process	• Continuously gathered and reviewed • Meeting minutes • Planning documents • Evaluation findings • Site reports • Contracts and modifications	• Two sets of focus groups (2009 & 2010) • First with key stakeholders focused on PBC implementation & process • Second with front-line staff and supervisors focused on communication about PBC, practice changes, use of data, supports for outcomes	• Conducted at end of project (late 2009 & early 2010) • One-on-one interviews with key leadership and staff • Reflection on planning process, communication & collaboration, practice change, use of data, PBC/QA structure & system, impact, lessons learned

Common Elements for Success Across Sites

Political	Right Time and Support for Change
Leadership	Right Leaders Driving Change & Staying Involved
Collaboration	Inclusive Planning Process Between Public & Private
Planning	Sufficient Time to Plan
Communication	Formalized, Transparent Communication Structure Meaningful Feedback to All Levels
Practice	Support for Practice Change
Data	Having and Using Reliable Data
QA/QI	Restructuring QA/QI Process to Support PBC
Outcomes	Selecting Right Outcomes and Building a Contract Around Them

Site-Specific Supports for Achieving Success

	FLORIDA	ILLINOIS	MISSOURI
Collaboration Support	•Neutral Facilitator •Supervisory Roundtable	•Provider Forums & Info Dissemination •Issue-Specific Workgroups	•Program Manager Meetings •Issue-Specific Workgroups
Outcome Support	•Supervisory Review Tool •Family Finders	•Discharge & Transition Protocol •Child Youth Investment Teams (CAYIT) & Centralized Matching	
Practice Support			•Statewide Practice Summits
Decision Making Support		•Child Welfare Advisory Committee (CWAC)	•CEO Meetings
Organizational/System Support		•University Research Partnerships	
Data Support		•Residential Treatment Outcome System (RTOS) •Data Test Workgroup	•Random Case Assignment
Quality Assurance Support	•Detailed Agency & Worker-Specific QA Reports	•Monitoring Shift to Quality vs Compliance	•Joint Public/Private QA/QI Alignment

Lessons Learned Across Sites

Process	•Planned collaboration and communication process structures are critical •Performance-based contracting is an evolutionary process that takes time •If phasing in, need structured plan for new sites using lessons learned from experienced •Use a fidelity checklist for implementation
Public/Private Partnerships	•Put equal emphasis on reform in both the public and private sectors •All providers are different entities - they don't operate the same. •May need to be more direct and prescriptive with the private sector
Contracts	• Collaboratively choose right outcomes to match overall system goals •Develop a longer term plan than the current contract •Marry finance to outcome development at the start •Need fluid peer record review across sectors •Don't have dual case management system •Be flexible in contracts and allow innovation
Data	• Develop or modify data collection/tracking system that is robust •Must have reliable and accurate data to measure outcomes/performance

Conclusions

- Formal public/private partnerships via performance-based contracts and aligned quality assurance systems can lead to improved system and child/family outcomes

- This is a data-driven process that requires a robust data system infrastructure and commitment to using outcome evaluation to monitor performance

- Additional organizational or system supports can help ensure practice change and outcome attainment

- Developing and sustaining collaborative relationship is key to successful planning, implementation, progress, adaptation