

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
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December 13, 2010

Greg Devereux, Executive Director
AFSCME Council 28
Washington Federation of State Employees
1212 Jefferson Street SE, Suite 300
Olympia, WA 98501

Dear Greg:

Thank you for writing the Governor about the Federation's concerns with the implementation of Second Substitute House Bill 2106 (2SHB 2106), which relates to improving child welfare outcomes through performance-based contracts.

As you know, Governor Gregoire is committed to improving the quality of our state's child welfare system by assessing what works and what doesn't, piloting new approaches, and measuring results and we understand and appreciate that your members share our commitment to improving outcomes for children and families. We clearly have a shared interest that any changes to our child welfare system are made thoughtfully.

This legislation establishes two implementation phases. During Phase I, the Department of Social and Health Services (DSHS) is required to convert its existing contracts to performance-based contracts, as well as reduce the total number of contracts. Phase I is to be completed by July 2011. During Phase II, DSHS is required to contract for case management duties in two pilot locations, one on the east side of the state and one on the west side. This will begin December 2012.

The law leaves the development of the particular contracting model to be used for Phase I to DSHS. DSHS is currently considering use of a master contractor model. This would allow for the economies of scale needed to ensure a single contractor has responsibility for coordinating the full array of services in the region. These services will be available and accessible throughout the region. We believe that this approach is consistent with, and fulfills the requirements of, 2SHB 2106.

Your letter expresses concern that transition to the use of master contractors in Phase I appears to be similar to the use of supervising agencies providing case management services as called for in Phase II implementation. In addition, you expressed concern that this type of approach is an inappropriate circumvention of the limited pilot and subsequent evaluation requirements that are envisioned for Phase II.



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I agree that it would not be appropriate for DSHS to contract for case management services during Phase I implementation. However, I understand DSHS' plans for possible use of a master contractor model, to fulfill Phase I requirements, would not change the current case management structure. These contractors would not have the powers of a supervising agency. State employees would retain full responsibility for case management, and the master contracting agency would be responsible for providing services to parents, children, and the parent's relatives.

This legislation represents a significant opportunity to explore whether there are more effective ways to deliver child welfare services. We are aware there may be some short-term transition costs in moving to this new system. Like you, we realize costs need to be minimized in order to ensure continued quality service delivery to the children and families we serve. Children's Administration Assistant Secretary, Denise Revels Robinson, and her project team have worked hard on these reform efforts. They have communicated to stakeholders, as well as integrated "lessons learned" from states that have already moved to performance-based contracting.

I believe we will be successful with this project provided all key participants and stakeholders communicate well and provide input and feedback into both Phases of implementation. I encourage you to contact DSHS Secretary Susan Dreyfus and Denise Revels Robinson to discuss your concerns and thoughts.

I appreciate your support of this difficult, yet important, project. Thanks again for contacting me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jay J. Manning", with a long horizontal stroke extending to the right.

Jay Manning
Chief of Staff