

**JOIN HANDS FOR CHILDREN**  
**MINUTES FROM ADVISORY COMMITTEE ON FINANCIAL ISSUES**  
**May 26, 2010**

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**Members Present:** Carole Holland, Catherine Lanham, and Jeanine Livingston (on phone)

**Staff Present:** Julie Dunnington, Melissa Takade, Benjamin Berres, Partners for Our Children; Jennifer Strus, Washington State Senate Human Services and Corrections Committee

**Others:** Melissa Palmer, House Ways and Means; Sandi Triggs, OFM; Carol Mikkelsen, AMARA; Jack Dyer, Institute for Family Development; Dan Ashley, Rich Pannkuk, Rene Newkirk, Kelci Karl-Robinson, DSHS Children's Administration; Laurie Lippold, Joe Sky-Tucker, Rommel Buenafe, Children's Home Society of Washington; Marna Miller and Stephanie Lee, Washington State Institute of Public Policy; Carrie Whitaker, Braam Panel; Wendy Tanner, Community Youth Services; Roberta Nestaas, Lutheran Community Services; Sheila Huber (on phone), Attorney General's Office

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Carole Holland called the meeting to order and requested that meeting attendees introduce themselves. After introductions, she explained that the purpose of the meeting would be to review progress and talk about next steps.

Julie Dunnington presented a broad update from a CA draft document on Phase I/implementing performance based contracting (PBC). She prefaced the update by noting that Partners for Our Children (POC) and DSHS Children's Administration (CA) would be preparing a document that highlights all the major decisions that have already been made regarding implementing PBC. During the update, she talked generally about PBC, but emphasized CA's new visualization for how master contractors will be organized. She explained that master contractors would no longer be arranged by service category buckets. Rather, master contractors will now be organized by region. Carole Holland asked if CA would be approving the subcontractors contracting with master contractors.

She also said that CA is now considering a fall RFP, and that contractors should watch for an email from CA that will outline all of the important dates and deadlines regarding the RFP process. CA will make available a data book so that all providers will have the same information. She also announced that POC has agreed to conduct an assessment to examine service availability, service capacity, and how many children both private agencies and CA are serving. This assessment (which includes a survey of providers) will be administered during the summer. She mentioned that CA will allow agencies to bid for multiple regions, but CA has not decided how or if regions would be divided.

Next, there was a preliminary overview on the scope of work and roles and responsibilities of a master contractor. These will likely include: operation of a 24/7 call center to disburse services to clients, care coordination, quality assurance, capacity to handle claims payments as well as manage their subcontractor network, ability to manage funds and stay within budget, compliance with all federal and state laws, and IT capacity to collect and report data on service utilization and costs. She remarked that master contractors would not be directly entering data into FamLink. Carole Holland asked about who is working on allowing master contractors to have read-only access to FamLink. Rich Pannkuk of CA said that there is a CA staff member who is working on this already with some Washington State Tribes.

Jeanine Livingston asked if CA's working assumption is that an agency must be a master contractor before bidding to become a supervising agency. Julie Dunnington responded by saying that no decision has been made but that a couple parties have raised the question.

Laurie Lippold of Children's Home Society of Washington asked whether CA would be approving subcontractors. Julie Dunnington said that this has not been decided. Carole Holland observed that the state is generally involved in these types of decisions because the ultimate liability lies with the state.

Julie Dunnington then briefed from the CA document on the issue of how money is being currently spent. She said that the pot of money is not likely to change in size, but that it may change with regard to how it is spent. She added that there is some philanthropic interest to aid this process, particularly with providing 'start-up' costs. Wendy Tanner of Community Youth Services asked if these potential resources would be made available to agencies before the RFP or whether they would be distributed only to the agencies with winning master contractor bids. Julie Dunnington said she didn't know the answer to that. She stated that the RFP process would likely allow for winning contracts to have a short period of time to build capacity.

Julie Dunnington said that there is still a lot of work to be done with regard to choosing a payment model and that there are still some things up in the air. That being said, CA is leaning toward a case-rate model. This model will pay for both administration and care coordination and will also include financial incentives and penalties.

Jeanine Livingston asked what portion of the pot of money for master contractors will be dedicated to CA to pay for contract administration, etc.? Carole Holland replied by saying that she doesn't believe any money will be given to CA to pay for those costs. She believes the money will come out of existing CA money.

Wendy Tanner of Community Youth Services asked if the document that Julie Dunnington has been referencing is publicly available. Julie Dunnington replied that the document is only in draft form, and that it is CA's very first attempt to record existing decisions and collect unanswered questions. This document will be refined and made public. David Del Villar Fox announced that the existing provider meetings at DSHS CA headquarters have been cancelled and that they are reevaluating how this process will continue.

Julie Dunnington gave a brief update on what the other advisory committees are doing. She first talked about the Advisory Committee on Legal and Practice Issues. Jennifer Strus gave a general description of some questions posed by that advisory committee that were directed via Sen. Hargrove toward the Attorney General's Office. Answers to these questions are expected before the June quarterly CWTDC meeting. There was a question raised about state liability and payouts and whether there has been an increase in the number of cases brought against the states that have implemented PBC or privatized case management services.

The advisory committee shifted to a discussion around the payment model. Julie Dunnington and Rich Pannkuk said that CA is working with Charlotte McCullough, but that CA needs more data (i.e., clients by service area, how much is being expended by service area) so they can develop unit measurements before anything continues. He also said that CA enlisted the help of an expert to aid in the process of developing a payment model. Wendy Tanner of Community Youth Services was concerned that these data won't reflect the total cost of providing services because it won't include private resources used by service agencies to supplement service costs.

The advisory committee began to talk about the upcoming June quarterly CWTDC meeting. Julie Dunnington said that the advisory committee should talk about their progress but also about the need for data for their continuing work toward recommending a payment model. Rommel Buenafe asked whether the committee is looking at developing a payment model from scratch, or whether it is going to create a hybrid model based on what states are already doing. Carole Holland asked David Del Villar Fox for a published schedule of when critical decisions must be made.

John Dyer of the Institute for Family Development asked whether the QA aspects of contract monitoring of subcontractors will pertain only to clinical performance or whether it will also include audits of financial information as well. CA has not decided yet.

Carole Holland asked if the IT workgroup planned during the last Advisory Committee on Financial Issues meeting is still going to meet. Julie Dunnington replied that this meeting is still in the works.

The advisory committee decided to postpone the next meeting until July.

The meeting was called to a close.