

HB 2106

Phase 1: Performance Based Contracting for Services

Transformation Design
Committee

March 22, 2010



CA Children's Administration



Purpose of the Presentation

- Revisit Selected Concepts
- Report on Communication Efforts
- Review Cornerstones of Phase 1
- Answer Questions Being Asked
- Provide Further Information
- Solicit Feedback
- Rumor Control



Revisit Selected Concepts

- Continuum of Care across Service Categories
- Evidence Based Practices
- Roles & Responsibilities
- Distinguishing Between
 - Phase 1: Performance Based Contracting for Services
 - Phase 2: Case Management Demonstration Sites
- Managing Change



Communication To Date

as of March 20, 2010

Internet Site

9 Webinars: 325 people (est)

In-Person Meetings around the state:

- 3 with BRS Providers
- 2 with In-Home Child Safety Providers
- 2 with Child Placing Agencies
- 5+ with Individual Agencies, Local Health Jurisdictions and Associations
- 5 with Advisory Committees & Work Groups
- 6 with CA Staff (1 in each region)



Communication To Date

as of March 20, 2010

Project Executive Steering Committee

- DSHS, Governor's Policy Office and OFM

Project Advisors

- Social Worker Advisory Team
- TDC Advisors
- CA Regional Leads and Contract Managers
- Master Contract Teams



Communication to Come

as of March 20, 2010

Conclude Initial Meetings with:

- Foster Parents
- Transitional Service Providers
- Smaller Agencies
- Regional Management Teams

Tribal Consultation

More Input from Key Communicators

Continued Collaboration on Contract Design



DSHS Service Goals for the Transformation

Through the use of Performance Based Contracts,

Safely reduce the number of children under dependency orders in Washington State by:

- ❑ Safely keeping more children in their homes
- ❑ Safely reunifying children in out-of-home care
- ❑ Safely achieving permanency outcomes more quickly



DSHS System Goals for the Transformation

- Increase access to services and provider capacity
- Improve the match of services to the unique needs of each family and child in the child welfare system
- Clarify and measure expected outcomes and performance



Performance Based Contracting in 2106

Our approach is to define with our partners how to achieve outcomes for children and families in the child welfare system.

Section 2:(9) "Performance-based contracting" means. . . the structuring of all aspects. . . around the purpose of the work to be performed and the **desired results** . . . Contracts shall also include provisions that **link the performance of the contractor to the level and timing of reimbursement.**"



Performance Based Contracting in 2106

“ In accomplishing this conversion (to performance-based contracting), the department **shall decrease the total number of contracts** it uses to purchase services from providers.”



Cornerstones

Given:

- Goal of safely reducing the number of children under dependencies
- Need to tie money to client outcomes
- Need to reduce the number of CA contracts

Leads to:

- Service contracts with broader scope and coordinated services



Work in Progress

- What follows is current thinking
- Still a work in progress
- Will continue to evolve, even after first contracts



Current Thinking: Service Categories within Continuum of Care

- In-Home Child Safety Services
- Placement, Re-unification & Permanency
- Intensive Treatment Services
- Transitional Services for Older Youth



Service Categories: How do they fit together?

Population	Child(ren) in Home	Child(ren) Placed or Reunified	Youth in Intensive Treatment Services	Foster Care Alumni
Master Contract Service Categories	In-Home Child Safety Services	Placement, Reunification and Permanency Services	Intensive Treatment Services	
		Transitional Services for Older Youth		



Service Categories: Suggestions for Changes

- Combine Placement, Reunification & Permanency with Intensive Treatment
- Incorporate most Intensive Treatment Services with Placement and the rest into In-Home Child Safety services.
- Separate Early Family Support Services (services for families when no case carrying Social Worker is assigned)
- Add category for Crisis Residential Centers, HOPE, etc
- Hold “expert witness” testimony separate



Frequently Asked Questions



How Many Master Contracts?

- How many geographic service areas will there be?

Has not been set. Likely 4 – 10.
The Master Contractor will need to serve the entire geographic area.

- How many Master Contractors does CA envision for each service category in each geographic area?

Has not been set. Likely 2 - 4.



How Many Master Contracts?

How many Master Contracts will there be?

IF 6 service areas and **IF 4** service categories:

6 areas x 4 categories x 2
contractors = 48

6 areas x 4 categories x 4
contractors = 96

THEN 48 – 96 contract opportunities



How Many Master Contractors?

- How many Master Contractors will there be?
- Can an agency provide services in more than one category? In more than one service area?

Yes to both. So, we won't know how many Master Contractors there will be until the selection process is complete.



How will Master Contractors be Selected?

There may be some differences between service categories.

Generally,

- Competitive process overseen by DSHS Central Contract Office
- Contract requirements finalized, including payment method
- Proposals requested
- Proposals reviewed by diverse panel of internal and external reviewers without conflict of interest



Master Contractor and Subcontractor Roles

Master Contractor

- Contracts with State and subcontractors
- Receives payments from the State; pays subcontractors
- Provides services
- Responsible for achieving performance goals
- Responsible for quality and model fidelity of all services provided under the Master Contract
- Responsible for fiscal integrity

Subcontractor

- Contracts with Master Contractor
- Receives payments from Master Contractor according to subcontract
- Responsible for providing specific services



Subcontractors

Reasons a potential Master Contractor would want to subcontract with existing providers:

- Capacity and expertise
- Cultural competence
- Ties to the community
- Short timeframe between contract execution and service delivery



Tribes and Tribal Children

Government to Government relationship will be honored. Recommendations from the Indian Policy Advisory Sub-Committee Work Session:

- Government to Government contracts (ICW & Independent Living) will be held separate and continue to be contracted with the Tribes and RAIO's consistent with current practice.
- They remain available for incorporation into Tribal Consolidated Contracts.
- Services for children under the jurisdiction of the Tribal Courts will also be held separate.

Discussion will continue on Tribal children under the jurisdiction of the state courts and other children currently served by the Tribes.



Timeline

ID	Task Name	Q2 10			Q3 10			Q4 10			Q1 11			Q2 11		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1	Consultation with Tribes	◆														
2	Intensive Treatment Services	[Blue bar from Apr to Sep 2010]														
3	Transitional Services for Older Youth	[Blue bar from Apr to Mar 2011]														
4	Development	[Blue bar from Apr to May 2010]														
5	Release "RFP"	◆														
6	Submissions Due	◆														
7	Review and Contract Execution	[Blue bar from Oct to Dec 2010]														
8	Readiness Review	[Blue bar from Jan to Feb 2011]														
9	Services Begin	◆														
10	In-Home Child Safety & Placement Reunification & Permanency	[Blue bar from Apr to Jun 2011]														
11	Development	[Blue bar from Apr to Sep 2010]														
12	Release "RFP"	◆														
13	Submissions Due	◆														
14	Review & Contract Execution	[Blue bar from Oct to Mar 2011]														
15	Readiness Review	[Blue bar from Jan to Jun 2011]														
16	Services Begin No Later Than	◆														



Monitoring Master Service Contractors

Performance Evaluation Monitoring will conduct on-site visits and integrate:

- Reviewing service delivery process & quality
- Monitoring performance outcomes
- Oversight of Master Contractor quality assurance
- Assuring fiscal resources follow the needs of the child and family



Current Thinking

Phase 1: Performance Based Contracts for Services



Current Services in Possible Service Categories

Handout #1

Current Client Service Contracts Organized By Possible Master Contract Service Category

Identifies Children's Administration's current Child Welfare Services and how the resources supporting those services might be aligned with possible new service categories.



Service Coordination

Child Welfare Case Manager (CA CPS, CFWS, FVS FRS Social Worker)

Master Contractor Service Coordinator

Case Management including:

- Investigate allegations of abuse
- Manage and control for child safety
- Develop the case plan with family
- Identify service(s) needed with family
- Determine whether placement is needed
- Monthly health & safety visits
- Monitor family progress
- Identify permanent plan
- Meet all judicial requirements including testimony



- Assist in service planning
- Assist families with access to services and answer questions from family about services
- Ensure coordination of services if multiple providers involved
- Convene meetings with providers to discuss progress
- Provide reports (combined across services) and information on progress to Children's Administration
- Ensure providers are meeting the family's unique needs
- Act as primary liaison to child welfare case manager



Structure of Performance Based Contracts

Children's Administration's current thinking is to use a three part structure for Performance Based Contracts.

- Qualifications
- Process Requirements
 - Approach to Services
 - Service Array
 - Community Service Links
- Outcome Performance Measures



Qualifications

As is currently true, CA will include minimum qualifications in the Master Contract. Some examples include:

- License (in some cases)
- Educational Requirements
- Background Checks
- Quality Assurance Processes
- Liability and Risk Management



Process Requirements: Approach to Services

These requirements in contracts address required features or process of the services. Examples of process requirements include:

- Ability to respond to new service referrals 24 hours a day and seven days a week
- Ability to respond to children and families 24 hours a day and seven days a week
- Complying with the Indian Child Welfare Act.
- Providing culturally competent services
- Utilizing Evidence Based Practices when indicated for service need and population



Service Array

Handout #2

Initial Service Array Planning

- Identifies the services that the Master Contractor would need to have available
- Services would be provided as identified in the service plan



Linkages to Allied Services

Handout #3

Partnership Links by Possible Master Contract Service Category

- Master Contractors will be required to have linkage to allied services providers that support access for children and families.



Outcome Performance Measures

- CA will use performance measures to link the desired results of the service with the level or timing of payment.
- The Transformation Design Committee's Outcomes Advisory Group has identified performance measures. CA has identified which of these measures are relevant to each Master Contract. Not all TDC measures are included at this time.



Outcome Performance Measures

Handout #4

Outcome Performance Measures for Possible Master Contract Service Categories

- Data will be from statewide systems for consistency and fairness
- CA will not hold providers responsible when there isn't data on prior periods
- Likely will only have a few outcomes tied to payment at the beginning



Payment Methods

With one exception, performance payment requires a hybrid of payment for services and performance.

Only one payment method does both:
Paying only when a client outcome, such as safe reunification, is achieved.

- Very high risk for provider
- Creates severe cash flow issues for provider



Payment Methods

Other approaches require both a service and a performance payment method.

The payment method may vary between service categories.



Payment Methods

Service Payment Methods

- Cost Reimbursement
- Fee for Service
- Global Budget
- Case Rate (Monthly, Annual or Episode)
- Pay Points for Service Process
- Per Capita



Payment Methods

Factors in selecting a Service Payment Method:

- Financial goals
- Financial data available
- Available analytic capacity
- Payment system capability



Payment Methods

Performance Payment Methods

- Aggregate Outcomes
 - Step Up / Step Down: Add-on payments made if performance improves (up or down) from baseline.
 - Gain sharing: The contractor keeps or is paid a portion of savings if performance goals are met.



Payment Methods

Performance Payment Methods

- Client Specific Outcomes
 - A portion of the payment that would otherwise be made through the service payment is withheld until a child/family/case outcome is achieved.



Payment Methods

Factors in selecting a Performance Payment Method:

- Which outcomes are most important
- Which outcomes need the most improvement
- Outcome data available
- Timeframe for achieving outcomes
- Financial data available
- Available analytic capacity
- Payment system capability



Issues Identified

Handout #5

Assumptions and Issues

Children's Administration is assembling and beginning to work through a series of issues that have been identified. What else should be on the list?

