

# 2SHB 2106

## Performance-Based Contracting Update

## Transformation Design Committee

June 14, 2010



Washington State  
Department of Social  
& Health Services

CA Children's Administration



# Purpose of the Presentation

---

- Update on Progress Since March TDC
- Review of Core Concepts
- Review of Assumptions
- Expected Results
- Overview of Current Thinking
  - What We're Still Working On
- Next Steps

# 2SHB 2106

---

- 2SHB 2106, passed in 2009 requiring the department to:

## Part 1

- ▶ Convert our current contracts with providers into performance based contracts by July 1, 2011.
- ▶ Decrease the total number of contracts we use to purchase services from providers.

## Part 2

- ▶ Establish demonstration sites to compare the performance of the department to the performance of private agencies by December 30, 2012.

# What We've Done Since March Meeting

---

- Continue to meet with stakeholders
  - Advisory Groups
    - Bi-weekly TDC calls, meetings and conference calls with internal CA groups
  - Tribal Meetings
    - Tribal consultation May 12 with follow-up communication and meetings scheduled
    - Participated in 2010 Centennial Accord meeting held June 8
    - Mary Armstrong and Charlotte McCullough meeting with tribes on June 15
  - Judiciary
    - Met with Superior Court Judges Committee on May 22
  - Foster Parents/Relatives caring for children on a dependency order
    - Continue to gain input through existing 1624 Advisory Committee
    - Regional meetings being planned statewide to continue to get input
  - Providers
    - Charlotte McCullough presented on May 10 and will be meeting with private agency representatives again on June 16
    - Regional meetings being scheduled over summer months to gain input
    - Information being posted via DSHS website and sent out through contract list.

# What We've Done Since March Meeting

---

- Obtained private funding for statewide assessment.
  - To be completed over summer months
  - Will identify service gaps, needs, and strengths
  - Information is critical to RFP and financial modeling
- Hired a national consultant to assist with risk modeling.
- Communicating with Region 10 federal office.
- Working with HR to build a fiscal and program quality assurance infrastructure within CA.
- Continue to work through remaining issues/questions and refine timeline.
- Children's Administration leadership team has changed.
  - Including structure of internal workgroups
  - David Del Villar Fox is designated as new lead. April Potts will also assist.

# Core Concepts

---

- CA will convert its current client service contracts to performance-based contracts (PBC) that are directly linked to outcomes with incentives and disincentives.
- CA will consolidate and reduce the number of contracts while ensuring a more consistent array of services in each region.

# Expected Results

---

- Desired outcomes for children and families are best accomplished through a strong partnership between CA and local private agency partners.
- The conversion to Performance Based Contracts with Master Contractors (MC) will build community capacity and ensure a consistent service array for every child and family in every region of the state.
- Evidence-based research will inform future work; we will continue to expand evidence-based practice.

# Expected Results (cont.)

---

- The number of children under dependency orders will be safely decreased.
- The network of care coordinated by the MCs will more equitably distribute services across all CA regions.
- CA Social Workers will be assisted in accessing the right services for every child and family every time.

# Expected Results (cont.)

---

- CA will be a good steward of public funds and public trust by holding both the private agencies and themselves accountable for outcomes.
- Services will be culturally competent to address the unique strengths and needs of every child and family.

# Current Framework

---

- What follows is current thinking.
- This is still a work in progress.
- It will continue to evolve as we gather and analyze data, and continue to get input from key stakeholders.

# How and When Will CA Initiate PBCs?

---

- Over the summer months, CA will work with providers
  - July, provide initial data with the remaining later in the summer.
  - Meet with providers regionally to discuss plans and gain additional input.
- In October/November, CA will issue a Request for Proposal for Master Contractors (MC) to provide services in 6 regions.
  - Agencies may submit a proposal for more than one region.
- Contracts will be awarded March/April 2011.
  - The law states that “No later than July 1, 2011, the department shall convert its current contracts with providers of child welfare services into Performance Based Contracts”.

# How and When Will CA Initiate PBCs?

---

- Then there will be a 90-day start-up phase.
  - This provides time for MC to build capacity, develop resources, acquire necessary skills through training, and build internal infrastructure to succeed.
  - Recent trainings of state and private agency staff will be conducted or wraparound approach, child safety, roles, values, framework.
- Over the summer of 2011, there will be time for capacity building.
- Referrals to the MCs will not begin until MC passes an onsite readiness review to ensure that each is prepared to organize and coordinate and/or deliver all required services.

# How and When Will CA Initiate PBCs?

---

- **Timeline**

- October/November

- RFP Released
- Intent-to-Bid two weeks after RFP is released

- January

- Proposals due 8 weeks after release of RFP

- January - March

- Proposals reviewed
- Announcement of awards
- Resolve any appeals
- Contract negotiations
- Contracts executed

# How and When Will CA Initiate PBCs?

---

- March - May
  - Start-up deliverables plan submitted and approved
    - Network development plan, HR/training plan, QA/QI plan, IT plan, financial/risk plan, transition action plan, etc.
- May - August
  - Capacity building
  - Onsite readiness review
  - When Master Contract Agency passes readiness, begin accepting new referrals and gradual transition of legacy children (according to approved schedule/process)
- September/October
  - Full implementation

# Which Children/Families Will Be Served?

---

- Children and youth in foster care placement, those served in-home under dependency orders at the time the Master Contracts (MCs) are awarded, and voluntary services.
- Children and youth entering the system after the MCs are in place.
- Working on ...
  - Finalize expectations with current Behavioral Rehabilitation Services (BRS) agency service providers within next 30 days for adolescents with high-level needs.
  - The transition plan.

# What Will MCs Be Required to Do?

---

- Maintain a 24/7 Call Center to handle requests from CA Social Workers.
- Provide directly or procure and coordinate the service array/placements for the children and families in their geographic area.
- Assign a MC Care Coordinator for every child and family referred to assist CA Social Worker and the family in accessing services needed to meet case plan goals.
- Ensure Quality Assurance, Quality Improvement system in place to internally monitor quality of all direct and procured services.
- Have the capacity to handle claims/payments for all services provided by agencies in the network.

# What Will MCs Be Required to Do?

---

- Manage the funds to stay within budget; ensure audit requirements
- Comply with federal, state, ICWA (as well as WAC 388-70, CA ICW Policy Manual and tribal-state and local agreements), ICPC, and Braam requirements.
- IT capacity to collect, report, analyze data on service utilization, costs, and outcomes as specified in the contract.
- Build capacity to address service gaps, needs in their respective geographic region; including formal and natural supports.

# What is the Service Array that MC Must Provide or Procure?

---

- In-home services and supports to ensure safety, prevent placement, and/or support safe reunification.
- A full array of out-of-home care service options and supports to ensure a child can stay in the least restrictive environment when he/she cannot remain safely at home.
- All services that are federally and state mandated, as well as meeting all regulation standards.
- Independent living/transitional living services.
- Evidence-based practice will be encouraged.
- There will be a dispute resolution procedure when MC and CA staff disagree.

# What is the Service Array that MC Must Provide or Procure?

---

- Working on ...
  - Level of funding for services in every region.
  - How contracts will be phased out as MC network is created.
  - What services will be excluded from the MC network (i.e., managed, accessed, and paid for by CA).
  - How recruitment, retention and support of foster and adoptive families will be handled, who will be responsible for supporting resource families?
  - How MC will document/report services to ensure DSHS CA can claim federal funds.
  - The point at which the MC is no longer responsible for case coordination and services for a child and family.

# What are Roles/Responsibilities of MC Care Coordinator and CA Social Worker?

---

- Both CA Social Worker and MC Care Coordinator are responsible to work cooperatively to ensure that the authentic voice of parents, relatives, foster parents, youth and children are maximized.
- CA retains responsibility for CPS, eligibility determination and decisions about subsidies; CA Social Workers retain full authority and case management responsibilities for all children and families.
  - Among other duties, CA Social Workers are accountable to determine whether to open a case for services, whether placement is needed, the case plan and permanency goals, whether children are safe, and what services a child/family need for safety, permanency, and well-being.
- CA takes lead in all court-related duties – including petitions and testimony – and works with the AG to ensure compliance with state and federal laws.
- MC takes lead in providing updates to CA on progress achieved prior to court hearings.

# What are Roles/Responsibilities of MC Care Coordinator and CA Social Worker?

---

- MC Care Coordinator takes lead in convening and facilitating Family Team Decision Meetings.
  - Family Team Decision Meetings will be used for ongoing discussion, input, and recommendations from all individuals involved with a family case.
- MC Care Coordinator is the primary liaison to work with CA Social Worker to develop a service plan in collaboration with each child and family.
- MC Care Coordinator assists the family in accessing services needed to meet case plan goals and is their central contact for questions, etc.
- MC Care Coordinator ensures the coordination of services either directly or procured and coordinated for the child and family.

# What are Roles/Responsibilities of MC Care Coordinator and CA Social Worker?

---

- Working on ...
  - At what point new referrals will be made to the MC
  - How legacy children be assigned to MC
  - When MC responsibility will end
  - Case closure or other point
  - Details of Dispute Resolution Process

# What are the Outcomes/Indicators and How Performance Linked to Payment?

---

- The Request For Proposal and MC contracts will include explicit expectations related to indicators of child safety, permanency, and well-being.
- The outcomes/indicators, as well as level of financial risk, that are linked to MC payment will take into account the MC's limited decision making authority.
- Initially, only measures with established baselines will be tied to payments.
- MC must have capacity to record, track, monitor, and report outcomes.

# What are the Outcomes/Indicators and How Performance Linked to Payment?

---

- Working to finalize:
  - List of outcomes and indicators for the MC contracts.
  - Thresholds for “success” that are based on baseline performance and whether thresholds for MCs might differ by region (due to variability in current performance).
  - Which outcomes/indicators will be linked to performance?
  - Requirements for monitoring, tracking and reporting performance
  - Requirements between Master Contract agency and their subcontractors

# Funding Sources and Budget Assumptions

---

- The level of funding for MC contracts will be the same as total amount for current contracts.
- A portion of start-up costs “may” be covered by private funds – still to be determined once budget is finalized.
- Over time, it is expected that the MCs may help CA service more children/families with the same level of funding (i.e., if fewer dollars go to placements more funds are available for in-home and community-based services).

# Funding Sources and Budget Assumptions

---

- **Working on**
  - Start-up costs are still being determined.
  - Private money allows Partners for Our Children to do the statewide assessment that will be completed by early fall.
    - The assessment will include obtaining information from service providers, Children's Administration, and other stakeholders on services currently being provided, as well as identifying gaps, needs, and strengths.
    - There will be an online survey, as well as focus groups.
    - The report will be made public.
  - This data is critical to finalizing the payment model.

# Payment Models are Being Considered

---

- Still considering various payment models.
- Have hired a national consultant to assist with risk/financial modeling.
  - Will use current data, as well as data obtained from summer assessment.
- Working on ...
  - Historically, how much money has been spent by region to serve how many families?
  - What is the reinvestment strategy?
  - How much risk will be introduced from the start or phased in?
  - Identify what incentives and penalties will be.

# Next Steps

---

- Continue to work on Performance-Based Contracting Request For Proposal and implementation plan.
  - Will be meeting with our private agency partners over the summer to review the framework, address concerns, and obtain input and information (i.e., infrastructure needs, etc.)
- Send first set of data to our private agency partners in July and additional data over the summer.
- Continue to obtain and incorporate “lessons learned” from other states through our TDC experts, as well as CA outreach.
  - Participating in the Foster Promise event in Seattle on July 1, featuring Children’s Home Society of Florida.

# Next Steps

---

- Continue meeting with all stakeholders – providers, foster parents/relatives, tribes, judiciary, current foster youth and alumni.
- Provide legislators with ongoing, written and in-person updates.
- Work on the assessment and with our national expert on risk/financial modeling.
- Continue to work with internal Human Resources staff to create quality assurance positions for PBC to include fiscal and program expertise.
- Release Request For Proposals in the fall.
- Continue to develop strong partnerships with all stakeholders involved in the transition to PBCs.