



Performance Based Contracting: Key Components for Developing a Foundation and Framework for Successful Implementation

2010 Summit on Public/Private Partnership

Partnership + Accountability = Results

September 1-3, 2010

Kids Central

Cynthia Schuler, J.D. & Joanne Billingsley

J.K. Elder & Associates, Inc.

Jean K. Elder, Ph.D. & David DeStefano

Presentation Overview

- Florida Judicial Circuit 5 PBC – History, purpose and design
- Research Questions
- Setting the Stage for Success
- Implementation
- Evaluation
- Conclusions

Research Questions

- *RQ1: Does an **inclusive and comprehensive planning process** produce broad-scale buy-in to clearly defined performance-based contract goals and ongoing quality assurance?*
- *RQ2: What are the **necessary components** of performance-based contracts and quality assurance systems that promote the greatest improvements in outcomes for children and families?*
- *RQ3: When operating under a performance-based contract, are the **child, family and system outcomes produced better** than those produced under the previous contracting system?*
- *RQ4: Are there **essential contextual variables** that independently appear to promote contract and system performance?*
- *RQ5: Once implemented, how do **program features and contract monitoring systems evolve** over time to ensure continued success?*

Introduction

- History of PBC Use in Circuit: In July 2007, Kids Central (the Lead Agency) and its CMA contractors collaboratively restructured the CMA contracts to reimburse the CMAs on an outcome-based payment system for key performance measures
- Set of key components based on external evaluation of PBC at this site

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

Strategy for Collaborative Planning

- Development of a collaborative environment through the use of a neutral, third-party facilitator to assist with the implementation of:
 - a shared-vision of practice drivers and outcomes,
 - contractual incentive measures designed to promote best practices,
 - performance objectives with appropriate financial incentives,
 - a performance-based shared-risk concept, and
 - a comprehensive monitoring process.

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

PBC Contract Specifics

- PBC Design
 - Case management agencies (CMAs) receive a base contract and are also given incentive payments for their performance on casework activities and aggregate outcomes
- Performance Measures
 - Earlier & more accurate data entry into state's administrative system
 - Additional face-to-face supervisory meetings
 - Increased contacts with biological parents
 - Improved rates of maintained permanency for children

PBC Contract Specifics: Rewards

- CMAs receive incentive payments when:
 - Case information is entered in 2 days, 90% of the time
 - Face-to-Face supervision between the case manager and their supervisor occurs within the initial 4 days after a case is received and again 30-45 days later, 100% of the time
 - Contact with birth parents is made in a agency-specified percentage of cases which is expected to increase over the contract period
 - A child is reunified or legal guardianship/kinship is achieved and permanency is maintained for six months

PBC Contract Specifics: Penalties

- Stage 1
 - If a CMA misses performance standard for one quarter, the lead agency provides TA free of charge in conjunction with the development of a corrective action plan. CMAs will have a quarter to correct any problems and performance issues.
- Stage 2
 - If a CMA continues to miss performance standard for another quarter. TA continues but CMA is charged for the TA at the rate of \$250 per day per 1 FTE (if multiple days/FTEs this charge is multiplied)
- Stage 3
 - Termination of contract



Setting the Stage for Success

Setting the Stage for Success

Establish a Culture of Collaboration, Trust and Cooperation

- Leadership
 - Modeling trust and establishing a framework for collaboration
 - Not “us vs. them”
- Create a shared vision
 - Mission-driven team solution
 - Commitment to common goals
- Acknowledge the challenges of partnership
 - Implementing and achieving change isn’t easy
 - Collaboration/cooperation doesn’t mean we’ll always agree
 - Consider external (neutral) facilitation to build the partnership

Setting the Stage for Success

Get the Right Parties to the Table

- Inclusive process
- Recommend involvement of Lead Agency and CMAs:
 - Administration
 - Quality assurance staff
 - Front-line staff

Setting the Stage for Success

Change the Culture of Contracting

- All parties must be open to coming to the table as partners
- Giving up the power position without giving up authority
- Ability to compromise without reducing expectations surrounding outcomes or effectiveness of services
- Transparent and open administration

Setting the Stage for Success

Engage in Active Project Management

- Establish a clear purpose statement, a clear program design/project description
 - What is the big picture of what we want to achieve and how
- Consider timing and readiness
- Maintain momentum by establishing a timeline for key project components and agendas for meetings
 - What needs to be accomplished, by when, and who's responsible

Setting the Stage for Success

Determine Outcomes, Measurement and Incentives

- Establish performance expectations
 - Emphasis on practices one has control over
 - Outcomes vs. outcome drivers (practice)
 - Compliance vs. quality
 - Consider incremental performance expectations
 - Incentivize what really matters
- Establish consistency in understandings
 - Define expectations
 - Clarify language; Words matter
 - Everybody has to understand what is funded and the flow of incentives from Lead Agency to CMAs

Setting the Stage for Success

Determine Outcomes, Measurement and Incentives (cont.)

- Determine how measurement will occur
 - Fidelity to performance based contracting model
- Establish incentive structure
 - Financial incentives
 - How much is enough?
 - Who should benefit?
 - Disincentives (shared risk)

Setting the Stage for Success

Qualitative Data

- Collaboration
 - Over the course of the first project year, the External Evaluators attended all project meeting and assessed group dynamics across a variety of factors (e.g., tension over time, power differential over time, efforts to manage conflict over time. Results of this analysis indicated that there was a great deal of cooperation and collaboration between all participating parties.
 - “Not-so-shared” vision
 - At the end of Year 1, supervisory and front-line staff did not report that the project was about improving child safety and outcomes but rather about “money” and meeting “compliance objective”
 - Similarly, supervisory and front-line staff were generally unaware of the inclusive negotiation process (even though CMAs were involved)

Setting the Stage for Success

Qualitative Data (cont.)

- Need for continued discussion regarding measures and incentives
 - Initially, there was a perception among supervisory and front-line staff that the “wrong measures” were being linked to incentives, that 100% compliance was not reasonable
 - The preliminary supervisory review tool that was developed became subject to much scrutiny and discussion surrounding its intent and use
 - Many supervisors and frontline workers felt that the tool’s intent was “compliance” driven and its use was simply another administratively mandated exercise in completing unnecessary and duplicative paperwork. Extensive discussion regarding use of the forms began and continued through December 2007.
 - Directors reported that they appreciated the opportunity to discuss outcomes and performance incentives on a regular basis as part of the collaborative PBC design

Setting the Stage for Success

Qualitative Data (cont.)

- Efforts to equalize the power differential
 - An external, third-party facilitator allowed the Lead Agency to be an active participant “at the table” during critical outcome and performance measure discussions.
 - This led to a more cooperative environment wherein the lead agency staff was recognized as an equal in the process of attempting to define and develop and incorporate standard outcome expectations and measures into the contracting process.
 - The Lead Agency determined that a forum for frontline supervisors to share and discuss their input pertaining to PBC should be established. As a result, a group called the Supervisory Roundtable was created.
 - By the middle of Year 2, supervisors and front-line reported that they felt like they had real input toward contract measures and that their feedback was heard

Setting the Stage for Success

Review

- Establish a culture of collaboration, trust and cooperation
- Get the right parties to the table
- Change the culture of contracting
- Engage in active project management
- Determine outcomes, measurement and incentives



Implementation

Implementation

Develop and Implement a Coherent Communication Strategy

- Communication is critical to keep all partners informed
- Communication across all staff levels
- Comprehensive approach
 - Consider alternative and multiple communication methodologies or tools
 - Don't just rely on website
- Repetition and clarity are important
 - Don't assume everyone gets it
 - Be mindful of turnover

Implementation

Provide Training and Technical Assistance

- Needs to begin prior to start date and continue
- Lead Agency has primary responsibility prior to and during early phases; CMAs become increasingly engaged/responsible for training & technical assistance
- Organized around performance based contract measures and project plan

Implementation

Engage in Case Management Agency-Driven Project Management

- Decisions about distribution of incentives
- Communication and team building
- Support practice change
 - Consider need for incremental goal setting
 - Identify training needs and request additional training from lead agency
- Recommendations for next contract year

Implementation

Qualitative Data

- Communication
 - CMA *internal* communication from executives to front-line staff regarding contractual outcomes and practices impacting these outcomes was inconsistent
 - Front-line staff reported not even being aware of the project (and related incentives) until 3 months after the new contract was initiated
 - At the end of Year 1, CMA directors reported that communication between the Lead Agency and the CMA had improved, yet from the perspective of supervisory/front-line staff, communication remained an issue
 - By the middle of Year 2, directors, supervisors, and front-line staff reported significant improvement in communication between Lead Agency and CMAs
 - Use of communication planning as a tool to reduce both anxiety and confusion for frontline staff was of critical importance during implementation (e.g., answering staff questions in writing and sending back to all staff, utilizing a monthly newsletter and keeping clear minutes of all meetings)

Implementation

Qualitative Data (cont.)

- Impact on practice
 - From the perspective of supervisors and front-line staff at the end of Year 1, implementation of PBC measures had not changed how front-line workers approached case responsibilities
 - Though CMA management staff were knowledgeable of contractual outcomes, these outcomes had not been sufficiently broken down into core practice activities that would help meet the true intent of the measures
 - The project team has begun to address required practice changes through the implementation of supervisory training and enhanced Continuous Quality Improvement (CQI) initiatives that clearly identify practices that will facilitate improved outcomes
 - By the end of Year 2, improvements were seen in measures tied to practices supervisors and front-line staff could control (e.g., bio parent contacts, supervisor reviews) versus those that were under the control of others (e.g., reunification)

Implementation Review

- Develop and implement a coherent communication strategy
- Provide ongoing relevant training and technical assistance
- Engage in Case Management Agency-driven project management



Evaluation

Contextual Variables Impacting Evaluation

- *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*
- *Focus on Practice Improvements Designed to Support Contractual Outcomes*
 - *Improved Family Engagement*
 - *Family Finders Initiative*
 - *Family Team Conferencing*
 - *Fatherhood Initiative*

Evaluation

Consider Data Management Issues

- Trust in data source (SACWIS)
- Availability and ease of access
- Data entry and reporting
- Flexibility (back-up plan)

Evaluation

Use Data to Strengthen a Quality Improvement Model

- Enhances current state/federal reporting requirements-- integrates collaboratively-developed, organization-specific measures
- Use performance and accountability data proactively to guide improvement (data must be timely and meaningful)
- Evaluate not only performance but also staff understanding of the PBC design and key measures
- External evaluation / audit may be helpful

Evaluation

Integrate Data Sharing into Project Management & Communication Strategies

- Share data in a timely manner with the right people
- Share data to:
 - Document progress toward objectives
 - Acknowledge successes
 - Inspire continued work towards unmet objectives
- Presenting data isn't enough; must process/synthesize
- Have meaningful discussions about progress barriers and next steps

Evaluation

Qualitative Data

- Need for flexibility/back-up plan
 - In July, 2007 the transition of the Florida SACWIS System created data-evaluation barriers as reports in the new system were not immediately available as expected.
 - Supervisory and front-line staff reported frustration with the inconsistency in how measures were being assessed and distrust of SACWIS data
 - These issues caused delays and necessitated the development of new methods for gathering data on the shared risk measures
 - Building consensus on how to move forward when faced with these barriers was extremely important to the ongoing integrity of the process ultimately reducing anxiety of frontline staff on “how they are being graded”

Evaluation

Qualitative Data (cont.)

- Quality Assurance Issues
 - For some outcomes, there was a perception that there was too long of a lag time between performance and outcome assessment
 - Directors also reported concerns that the sampling process wasn't sufficient to identify compliance and that the methodology for measuring/assessing outcomes should have been better developed prior to implementation
 - Sampling met State standards for QA reviews and selected a statistically valid sample
 - That said, PBC has led to the development/refinement of quality assurance tools, such as the "Supervisory Review Tool" which has recently been adapted for statewide use

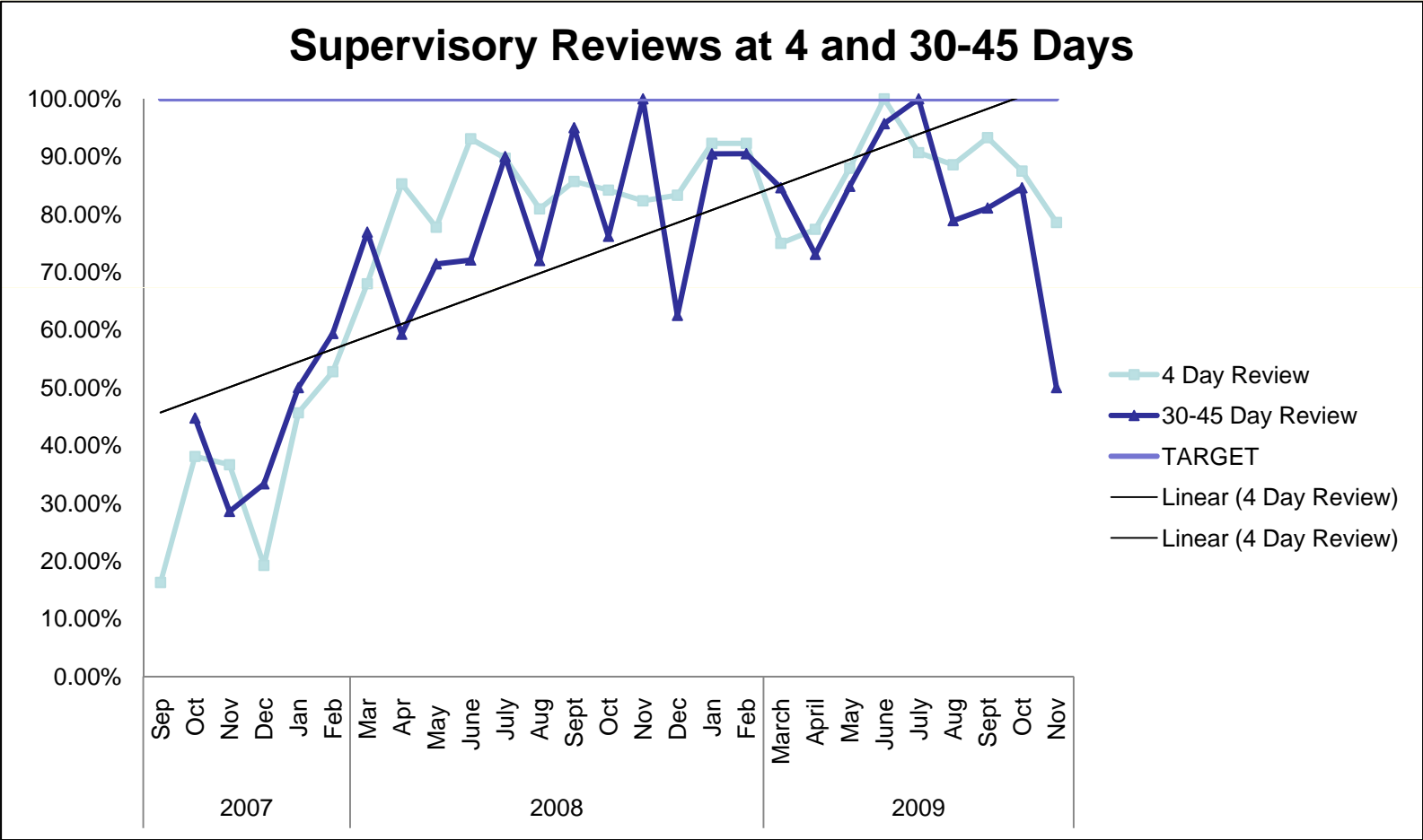
Evaluation

Qualitative Data (cont.)

- The project worked towards the development of Quality Assurance system that discouraged the compliance-driven mentality to one that drove practice and outcomes for children and families
- Dedicating QA resources to capture performance data, especially the quality pieces, proved to be a challenge

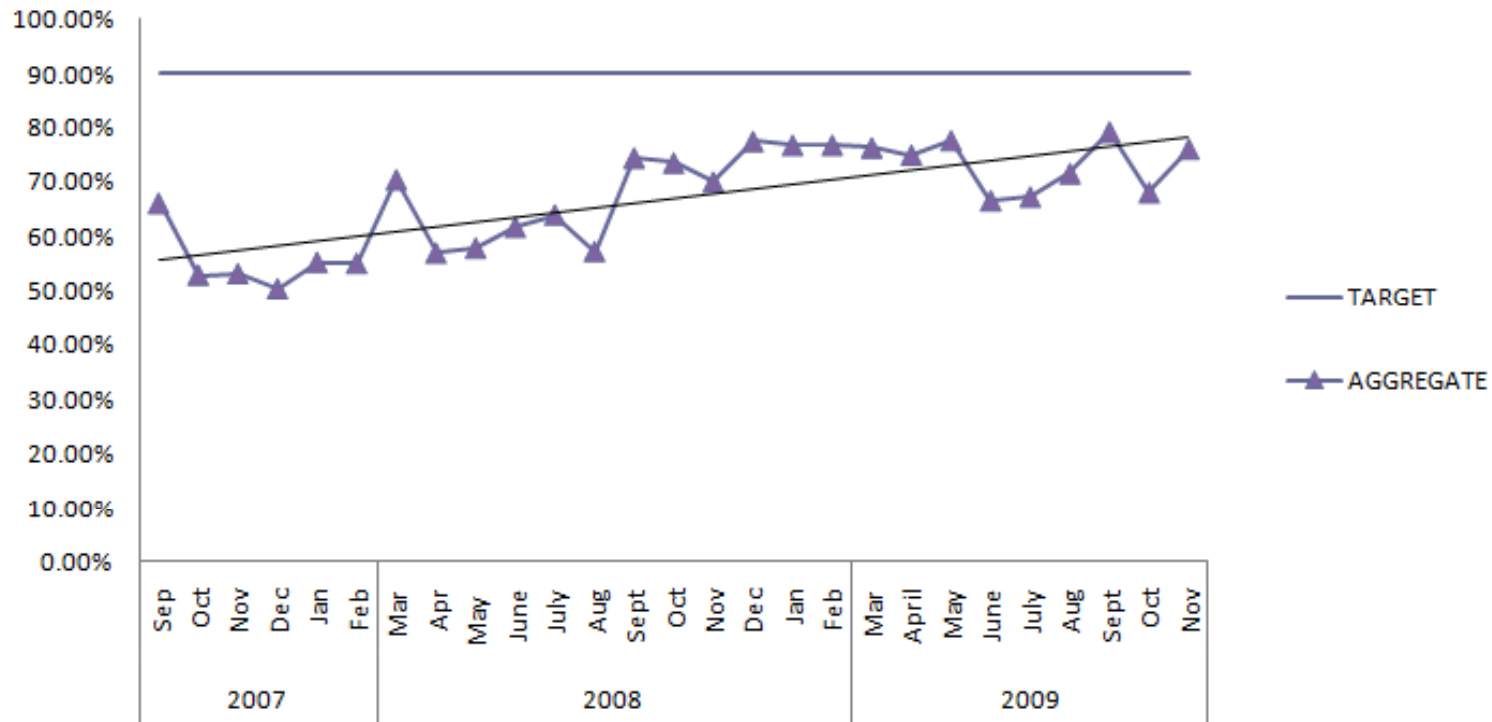
Quantitative Data

Supervisory Reviews at 4 and 30-45 Days



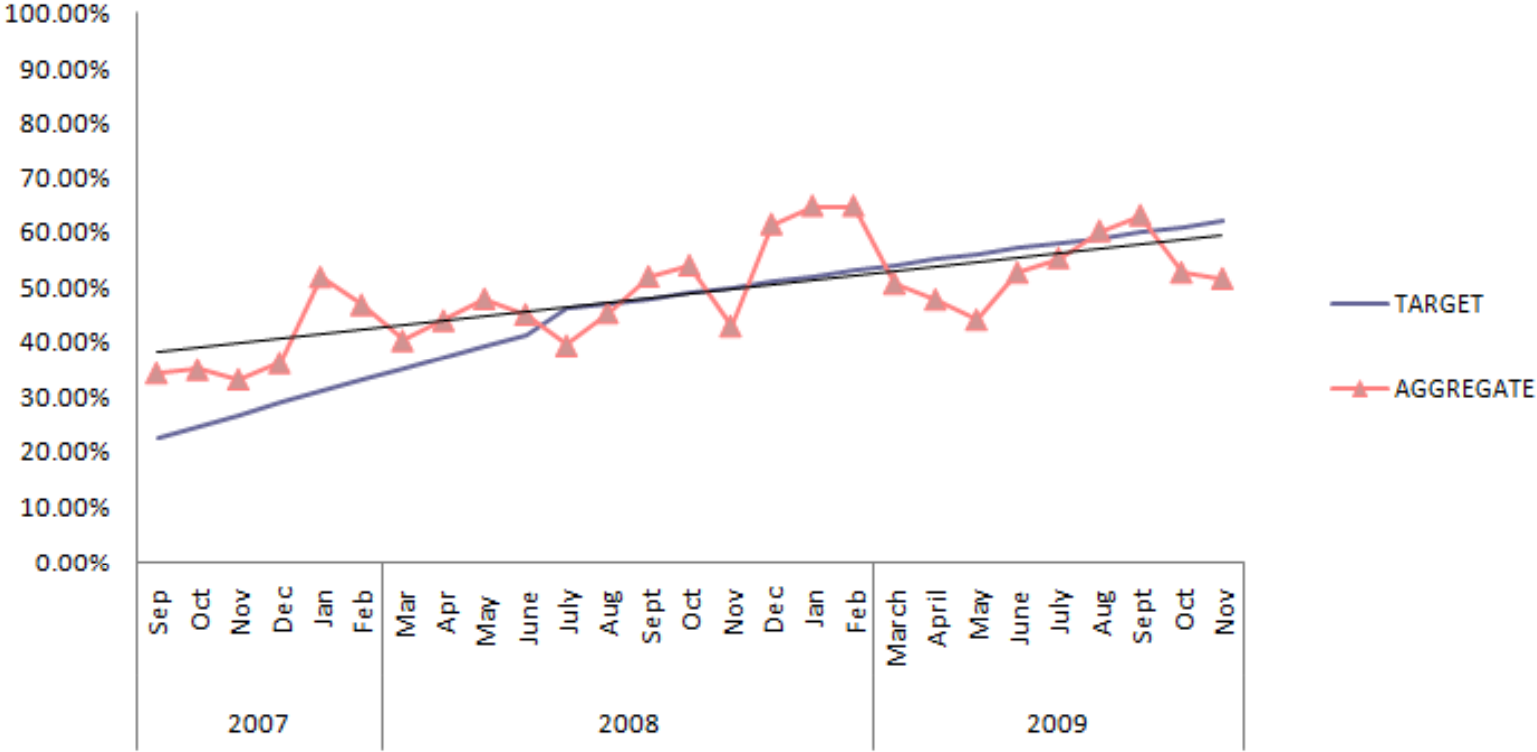
Quantitative Data

Aggregate % of Case Information Entered into FSFN within 2 Days



Quantitative Data

Aggregate % of Cases Meeting Contact with Biological Parent Requirements



Quantitative Data

Incentive Payments: Fiscal Year 2008 - \$110,000

TOTAL	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
All case information will be entered into FSFN accurately within two working days.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New cases from CPI will receive supervisory screening with worker in 2-4 working days.	\$0	\$500	\$0	\$0	\$0	\$0	\$500	\$1,000	\$500	\$2,500	\$1,500
Supervisory screening with worker will occur again between 30-45 days; quarterly thereafter.	\$0	\$500	\$0	\$0	\$0	\$1,000	\$1,000	\$1,500	\$0	\$1,000	\$2,000
Case Managers will have contact with biological parents of children in out-of-home care.	\$6,000	\$6,000	\$6,000	\$4,000	\$6,000	\$5,000	\$5,000	\$4,000	\$4,000	\$3,000	\$2,000
Case Managers will work to establish legal guardianship/ kinship care situation and maintain for 6 months. Guardianship	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,000	\$0
Case Managers will work to return youth to parent and maintain the permanency for 6 months. Reunification	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,500	\$3,000
Total	\$6,000	\$7,000	\$6,000	\$4,000	\$6,000	\$6,000	\$6,500	\$6,500	\$4,500	\$49,000	\$8,500

Quantitative Data

Incentive Payments: Fiscal Year 2009 - \$135,500

TOTAL	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
All case information will be entered into FSFN accurately within two working days.	\$0	\$0	\$2,000	\$0	\$1,000	\$1,000	\$0	\$0	\$1,000	\$0	\$1,000	\$0
New cases from CPI will receive supervisory screening with worker in 2-4 working days.	\$1,500	\$1,000	\$2,000	\$1,000	\$1,000	\$1,500	\$2,000	\$2,000	\$2,000	\$1,000	\$1,500	\$2,500
Supervisory screening with worker will occur again between 30-45 days; quarterly thereafter.	\$2,000	\$1,000	\$2,000	\$1,000	\$2,000	\$500	\$2,000	\$2,000	\$2,000	\$500	\$1,000	\$1,500
Case Managers will have contact with biological parents of children in out-of-home care.	\$2,000	\$3,000	\$4,000	\$3,000	\$2,000	\$5,000	\$4,000	\$5,000	\$4,000	\$3,000	\$0	\$2,000
Case Managers will work to establish legal guardianship/ kinship care situation and maintain for 6 months. Guardianship	\$0	\$3,000	\$1,000	\$2,000	\$2,000	\$4,000	\$1,000	\$2,000	\$1,000	\$1,000	\$0	\$0
Case Managers will work to return youth to parent and maintain the permanency for 6 months. Reunification	\$3,000	\$0	\$3,000	\$7,500	\$1,500	\$4,500	\$0	\$4,500	\$1,500	\$7,500	\$4,500	\$1,500
Total	\$8,500	\$8,000	\$14,000	\$14,500	\$9,500	\$16,500	\$9,000	\$15,500	\$11,500	\$13,000	\$8,000	\$7,500

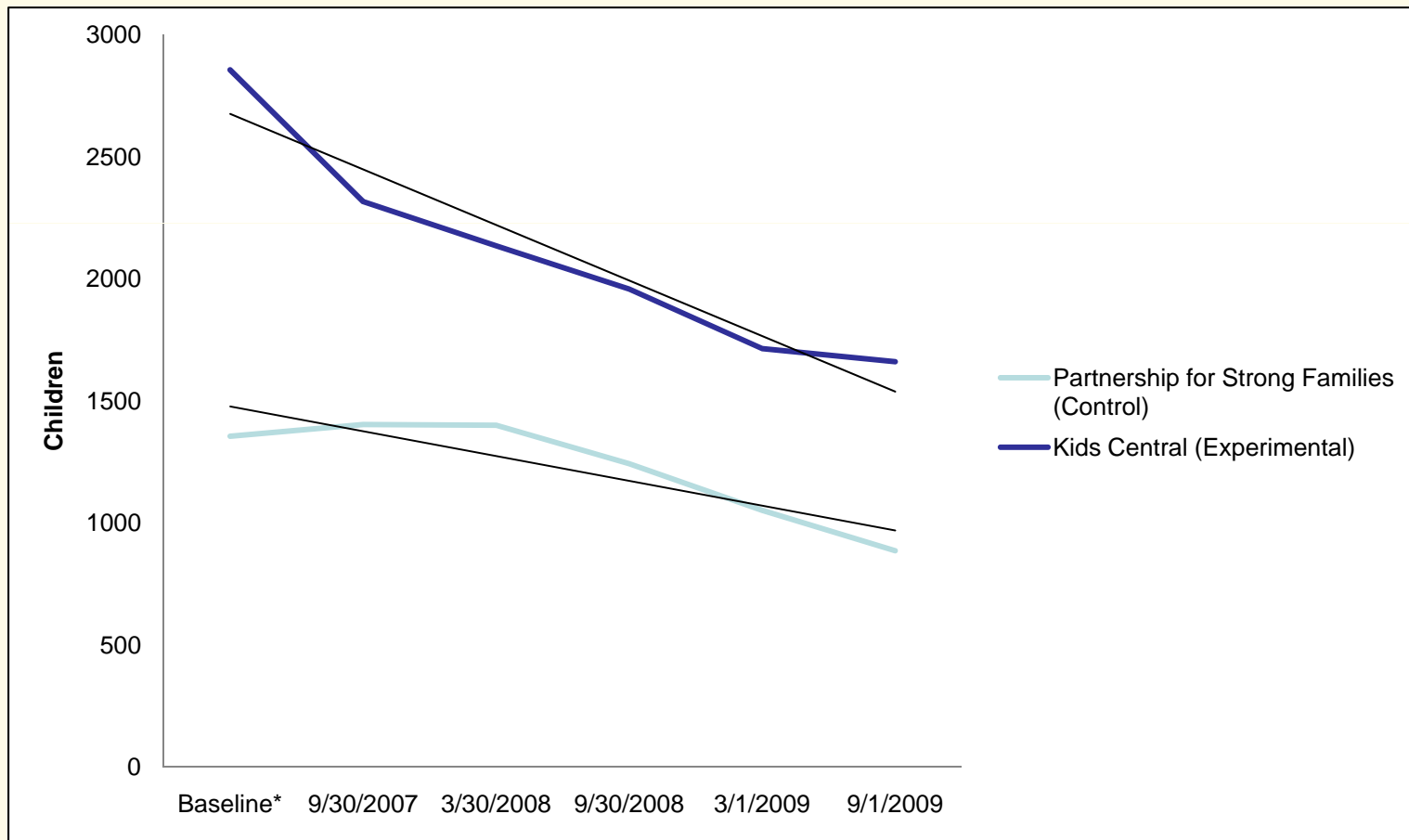
Quantitative Data

Incentive Payments: Fiscal Year 2010- \$46,000

TOTAL	July	Aug	Sept	Oct	Nov
All case information will be entered into FSFN accurately within two working days.	\$0	\$1,000	\$1,000	\$0	\$0
New cases from CPI will receive supervisory screening with worker in 2-4 working days.	\$1,500	\$1,500	\$1,000	\$1,500	\$1,500
Supervisory screening with worker will occur again between 30-45 days; quarterly thereafter.	\$3,000	\$1,000	\$1,500	\$1,500	\$1,000
Case Managers will have contact with biological parents of children in out-of-home care.	\$2,000	\$4,000	\$4,000	\$1,000	\$2,000
Case Managers will work to establish legal guardianship/ kinship care situation and maintain for 6 months. Guardianship	\$5,000	\$1,000	\$1,000	\$0	\$0
Case Managers will work to return youth to parent and maintain the permanency for 6 months. Reunification	\$1,500	\$1,500	\$1,500	\$1,500	\$3,000
Total	\$13,000	\$10,000	\$10,000	\$5,500	\$7,500

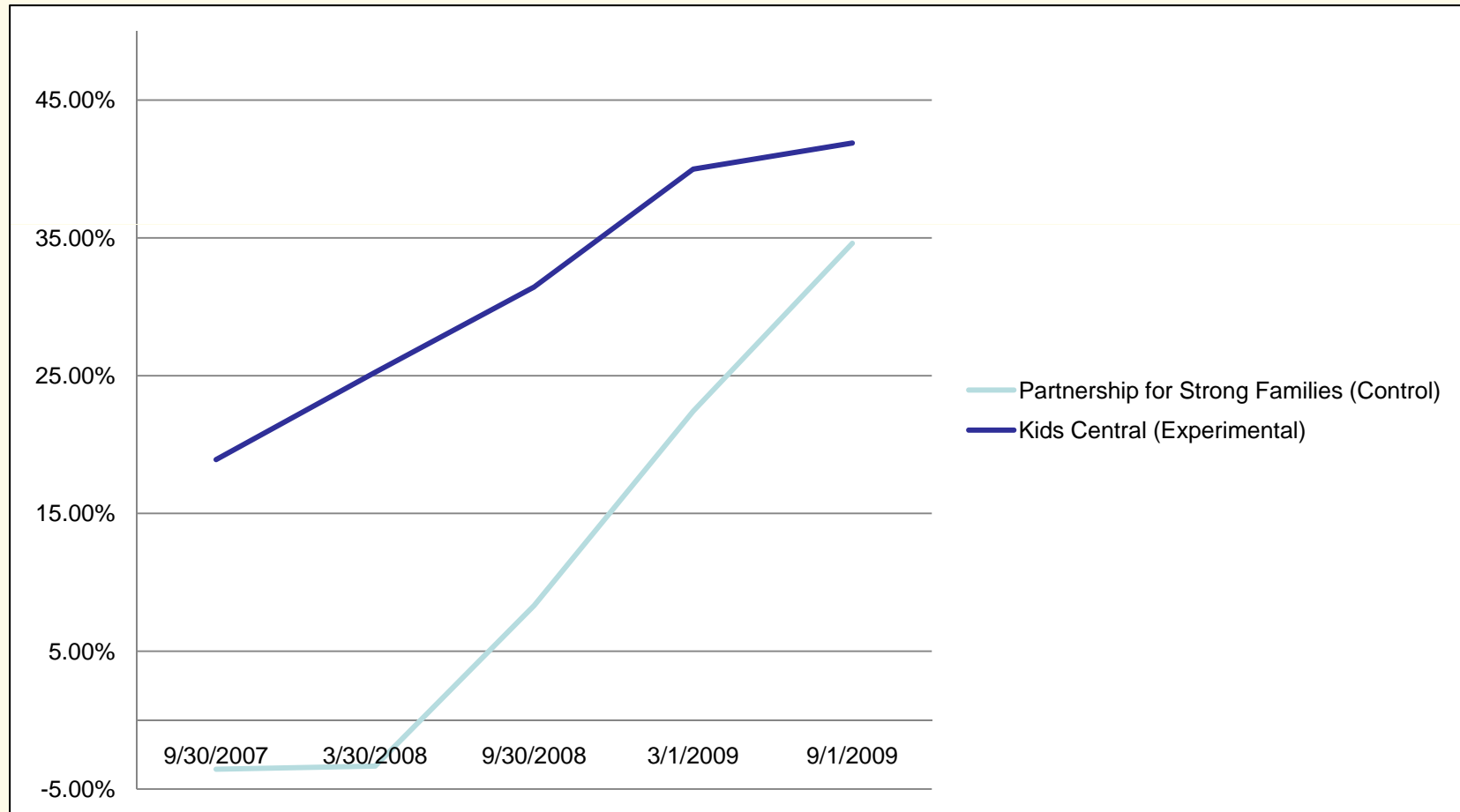
Child Welfare Outcomes

of Children in Care (Kids Central & Partnership for Strong Families)



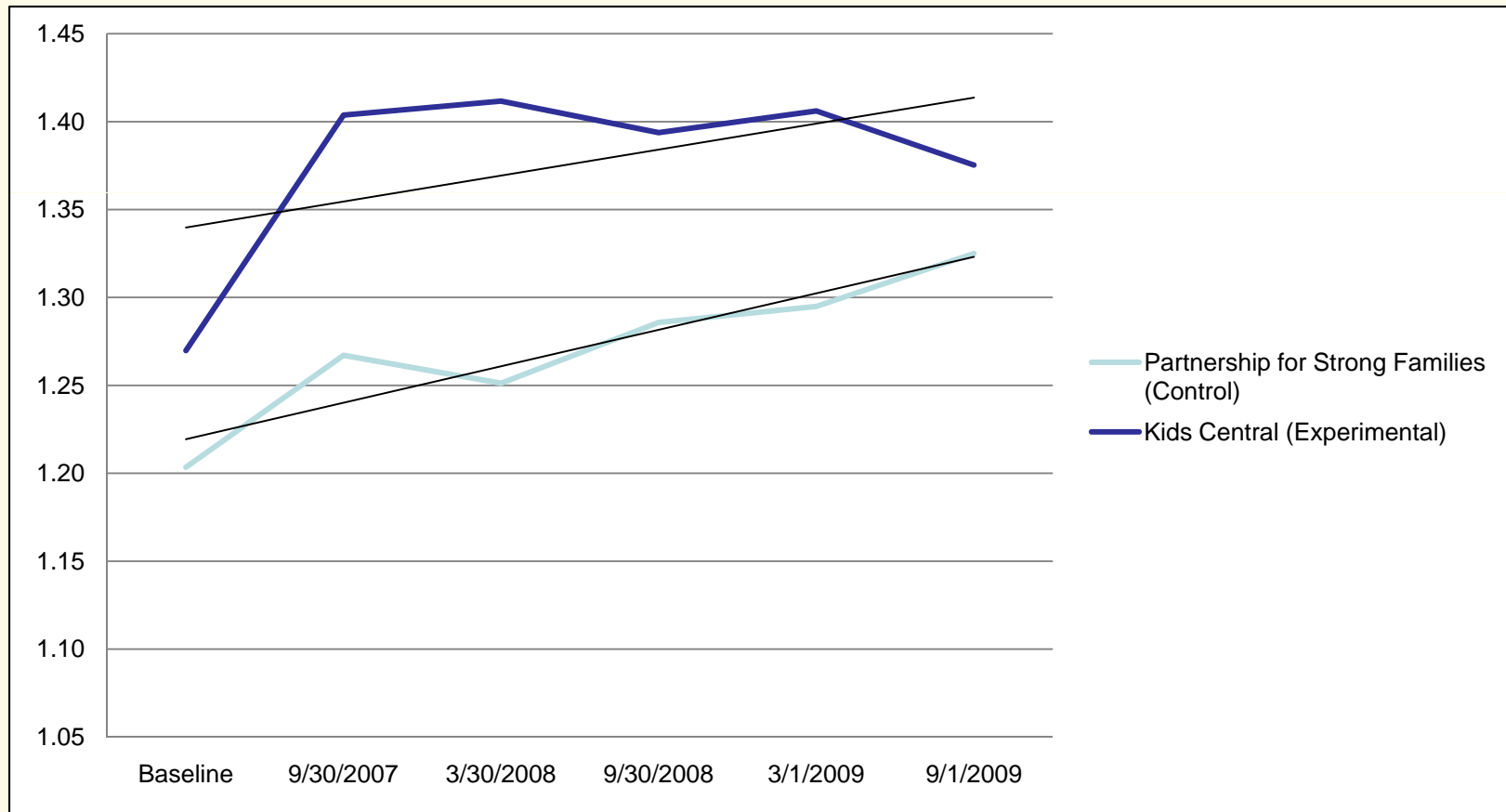
Child Welfare Outcomes

% Reduction – Children in Care (Kids Central & Partnership for Strong Families)



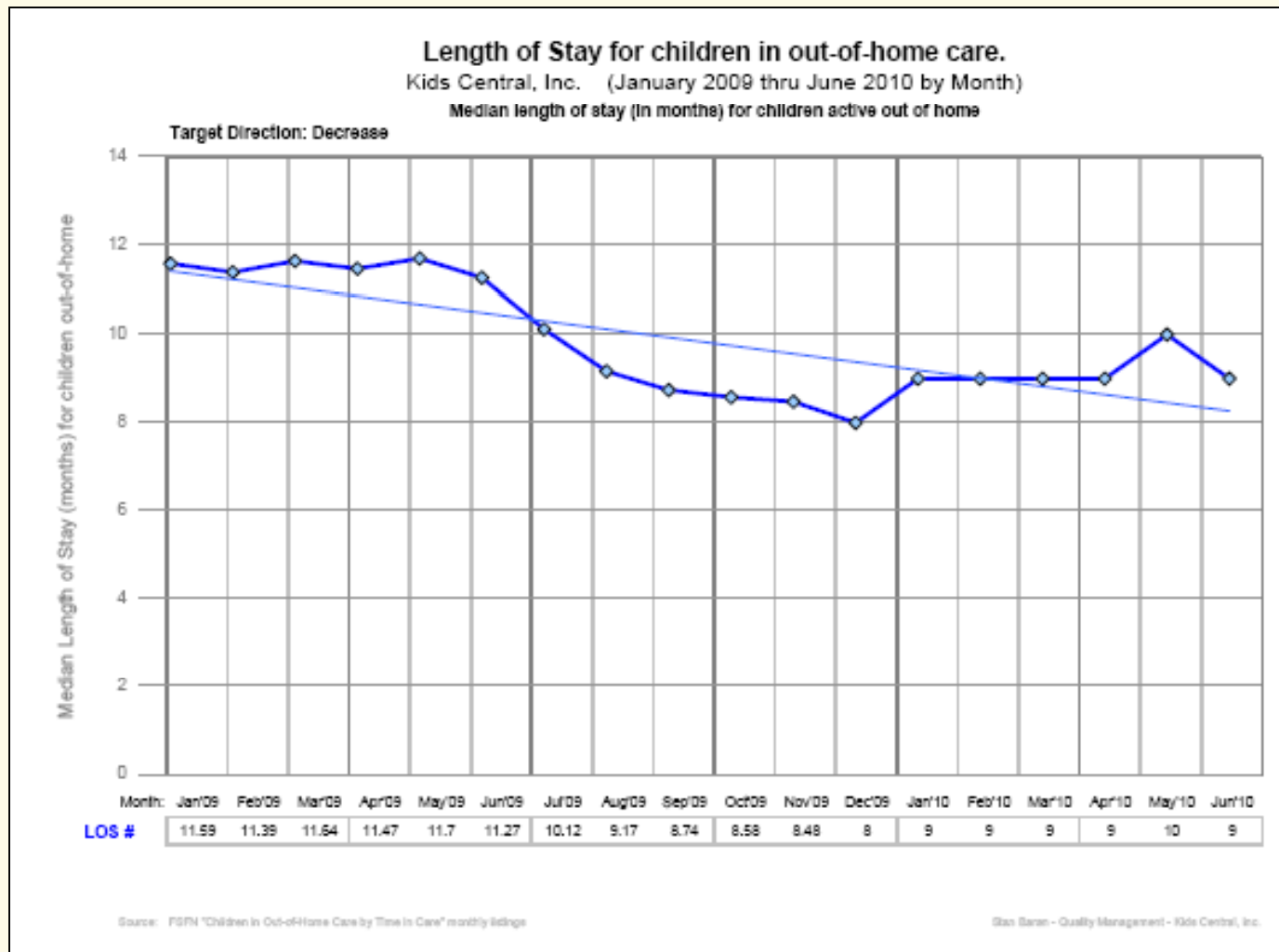
Child Welfare Outcomes

Removals Per Child (Kids Central & Partnership for Strong Families)



Child Welfare Outcomes

Length of Stay (Kids Central)

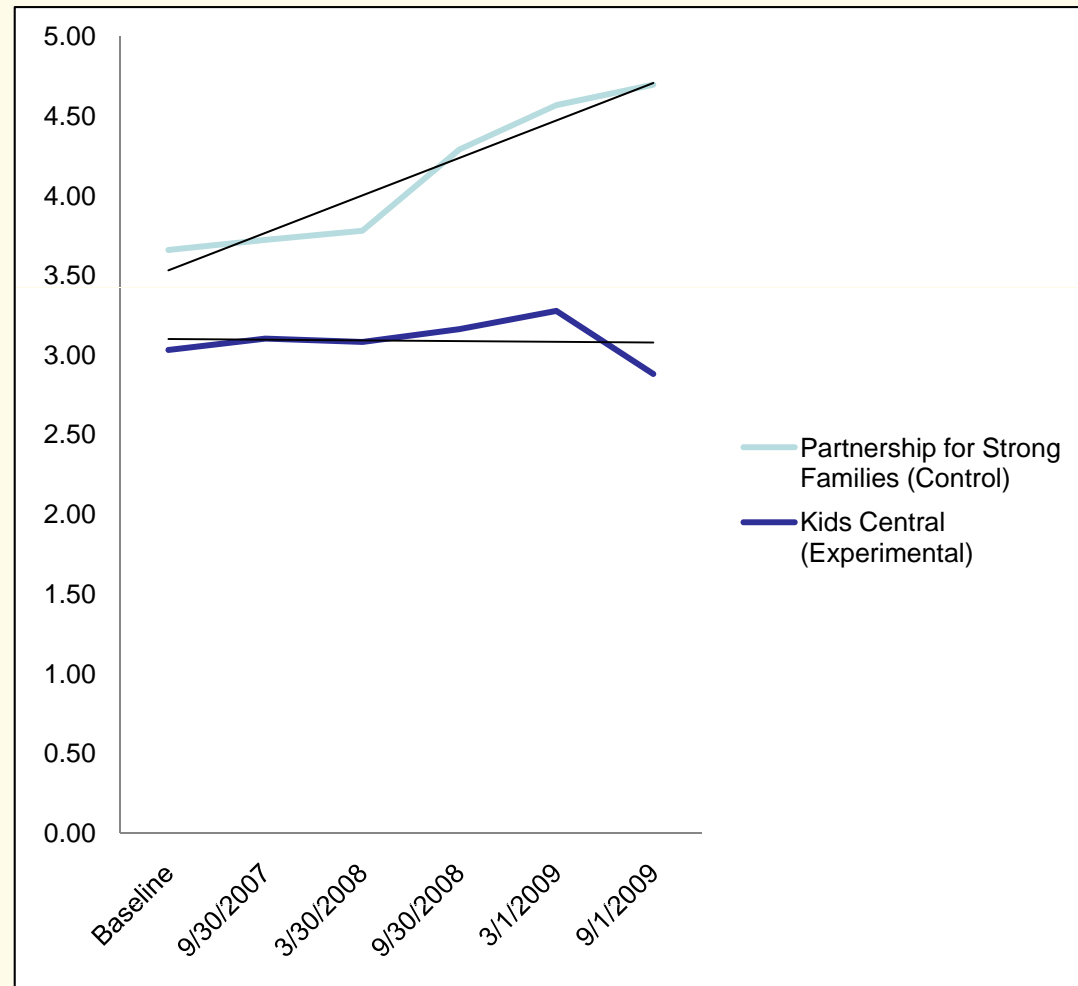


Child Welfare Outcomes

Placements Per Child (Kids Central & Partnership for Strong Families)

Considerations:

- Children have been actively moved to the least-restrictive, most appropriate setting



Conclusions

- Drawing Comparisons Between the Treatment and Comparison Sites is Difficult:
 - Significant changes to service provision models (contextual variables) have resulted in outcome improvements at both sites
 - Surveys between sites indicate no significant difference
- Treatment site surveys showed no significant differences in impressions and attitudes over the course of the project

Conclusions

- Improved performance on incentivized measures
- Incentivizing *PRACTICE* vs. *OUTCOMES*
 - Created opportunities for implementation discussions
 - Importance of practice
 - Tie to achieving outcomes
 - How to implement practice
 - Less lag in measurement
 - Quickly able to achieve “success” and see change in performance

Conclusions

- Performance Based Contracting, Collaborative Development of Outcome Expectations & Incentives, Implementation of a Comprehensive QA Process*:
 - Improved relationships between Kids Central and case management agency staff
 - Led to increased understanding and “buy in” at a front line level
 - Directly resulted in the implementation of other best practice initiatives

*Based on key informant and focus group interviews

Conclusions

- Recommendations

- Setting the Stage for Success

- Establish a culture of collaboration, trust and cooperation
 - Get the right parties to the table
 - Change the culture of contracting
 - Engage in active project management
 - Determine outcomes, measurement and incentives

- Implementation

- Develop and implement a coherent communication strategy
 - Provide training and technical assistance
 - Engage in Case Management Agency-driven project management

Conclusions

- Recommendations

- Utilize the “Behavior 101” Approach

- Measures

- Must be meaningful, directly related to PRACTICE and have a clear tie to outcomes
 - Target performance goals must be achievable
 - Consider changing goals or targets when they are not achieved consistently and/or performance improvement stops

- Incentives

- Ensure incentives are provided to the front line
 - Must be significant enough to drive the desire to change
 - Provide information pertaining to “potential” earning

- Evaluation

- Consider data management issues
 - Use data to strengthen a quality improvement model
 - Integrate data sharing into project management and communication strategies

Questions

