

Beyond Privatization: Public-Private Partnerships that Work in Child Welfare



Lessons Learned from Other States

February 21, 2007
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Presentation Overview

- Privatization in Child Welfare Services –
“not whether, but how to privatize services”
- Lessons Learned from Key States
- 3 R’s of Effective Public-Private Partnerships
 - Sharing Risks
 - Sharing Resources
 - Sharing Results
- Looking Ahead

Historical reliance on private sector

- State & local governments have paid private, voluntary agencies to provide child welfare services since early 1800s
- * Contracting out of child welfare services nationally:
 - 58% family preservation
 - 42% residential treatment
 - 52% case management for adoption



** Based on 2001 HHS survey of local child welfare agencies*



Evolution of privatization

- Recent expansion of privatization driven by:
 - Downsizing of public sector capacity
 - Government deregulation
 - Cost containment
 - Greater focus on improved outcomes
- Newer aspects of privatization include:
 - Use of performance-based incentives
 - Implementation of managed care principles
 - Extension of contracting out beyond non-profits to for-profits



Some Key Privatization Initiatives

- Examined 5 target jurisdictions:
 - Florida
 - Illinois
 - Kansas
 - Milwaukee County, Wisconsin
 - Utah
- Reviewed approach to privatization in the context of each target jurisdiction
- Analyzed key results and lessons learned
- Interviewed national child welfare experts familiar with these privatization initiatives

Key Informants



- **Mark Courtney**, Director, Chapin Hall Center for Children, University of Chicago
- **Bruce Kamradt**, Director, Wraparound Milwaukee
- **Robin Arnold-Williams**, former Director, Utah Department of Human Services
- **Fred Wulczyn**, Research Fellow, Chapin Hall Center for Children, University of Chicago
- **David Kirk**, Former Director, Children's Home & Aid Society, Chicago, Illinois

Florida – What they did



- 1998 Legislative mandate to privatize child welfare services statewide
- Shift from state administered system to Lead Agency model
- Funded by global budget transfer
 - Allocate fixed % of state budget to Lead Agency
 - Shift responsibility for all CW services (except CPS investigations) to Lead Agency
- State monitors performance; CPS investigations
- 20 Lead Agencies serve all 67 counties in FL
- State established “Risk Pool” to manage volume, intensity fluctuations

Florida – Lessons Learned



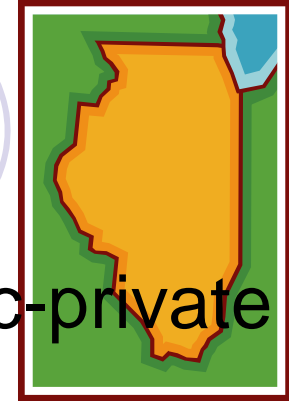
- Inconclusive results for first 8 years
- Significant cost expenditures by state
 - FY 05-06 budget = \$625.4 million
 - \$230.2 million spent on inadequate SACWIS system
- 2004 shows mixed outcomes
 - Increased adoptions
 - Decreased lengths of stay
 - Decreased rate of reunification
 - Rate of out-of-home care re-entry increased
- Inherited same challenges as public sector prior to reform

Florida – More Lessons



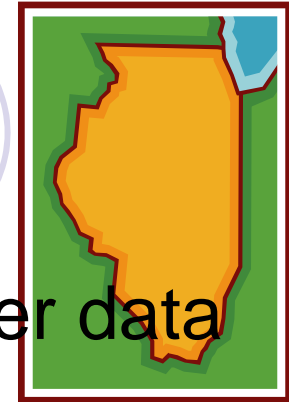
- Strategies for handling risk slow to evolve
- 2000: Legislature set up \$4.5 million risk pool to protect lead agencies from extreme growth in caseloads beyond lead agency's control
 - State asserts no providers accessing risk pool indicates fiscal stability of lead agencies.
 - Agencies contend rules for accessing risk pool and level of support to be provided are not clear to lead agencies, so few, if any, requests are made.
- Inadequate risk protection → many agencies chose not to assume lead agency role

Illinois – What they did



- Built on existing strength of existing public-private agency relationship
- Performance based contracting
 - Clear performance measures targeting permanency
 - Open communication of agency success relative to peers
 - DCFS established incentive system for high performers
- Introduced subsidized guardianship
 - IV-E Waiver created this permanency option for Illinois
 - 6800 children transferred from LTFC to this status
- Shifted savings from foster care reductions to enhance front end service interventions that prevented placement

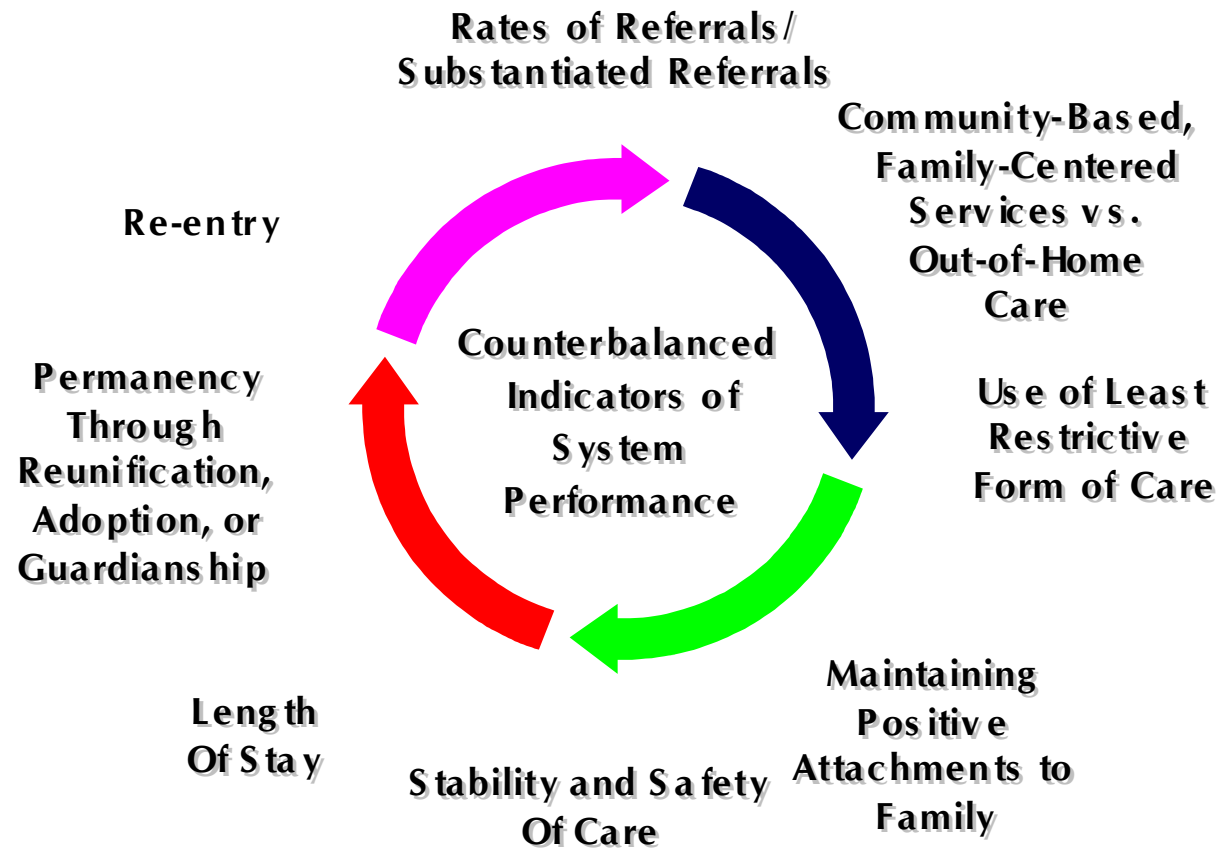
Illinois – Lessons Learned



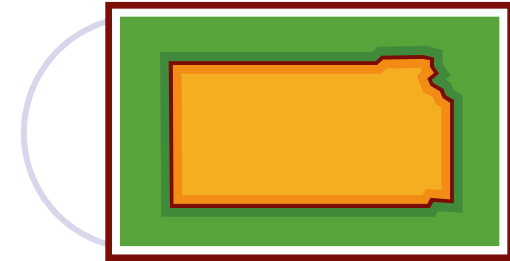
- Dramatic outcomes may overshadow other data
 - Cut foster care population by 60%
 - Lowered caseloads from >50 to <20
 - Higher placement instability
 - Lowest rate of reunification in country
- Closely monitored data at each stage to determine progress and adjust accordingly
- Savings from suspended payments to low performers funded incentives for high performers
- Transparency in performance expectations
- Narrow focus on alternative permanency

Using Outcome Information to Improve Child Welfare Services

The Cycle of Experiences in the Child Welfare System*



Kansas – What they did



- Earliest implementers of managed care approach to privatization of public child welfare services
- Built on an existing network of private service providers
- First state to use regional Lead Agency model
- State monitors performance and conducts intake and investigations
- Expanded services available across 105 counties

Kansas – Lessons Learned



- Rapid implementation without baseline data, clear expectations or understanding of risks/costs
- Shifting performance expectations from year to year makes evaluation of results difficult
- Limited accountability mechanism due to no link between payment and outcome achievement
- Excessive resource investment by the state—expenditure increased by \$100 million in 4 years

Making performance contracting work

- Agree on operational definition of “good performance”
- Establish baseline for desired performance measures
- Begin to measure and reward performance against baseline
- Support continuous system improvement with targeted technical assistance vs. using measures to decide how much or whether provider will be paid
- Recognize complexity – don’t oversimplify connection between financial incentives and desired results

Milwaukee – What they did



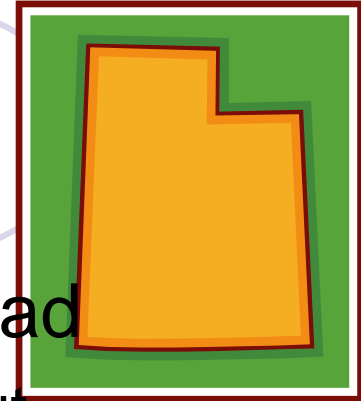
- Bureau of Milwaukee Child Welfare
 - Only state-run child welfare county in Wisconsin
 - State has strong oversight of Lead Agencies
 - Each Lead Agency has specialized scope of service, serving specific geographic area
 - State does intake assessment and investigations
- Practice model based on wraparound principles:
 - Alternative safety interventions
 - Wraparound service for high intensity cases
 - 24/7 mental health crisis intervention services

Milwaukee – Lesson Learned



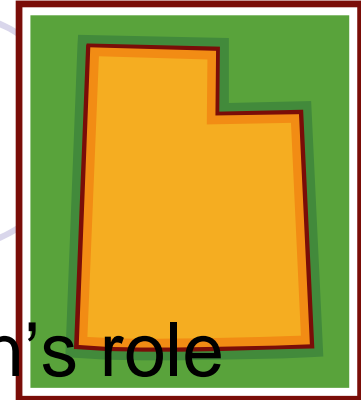
- Positive Outcomes
 - Decreased foster care entry rates
 - Increased family reunification rates
 - Increased placement stability
- Practice model emphasizes community-based prevention and post-reunification support
- \$8.3 million overall cost savings from 1996-2000
- Persistent challenges:
 - Recruiting quality foster homes
 - High staff turnover in private agencies (up to 50%)

Utah – What they did



- Failed attempt to privatize LTFC caseload
 - Moved too quickly toward privatization without sufficient planning or clear objectives
 - Dismantled initiative following teenager death
- Success: Utah Foster Care Foundation
 - Foundation does all recruitment, training & support of foster parents for all 5 DCFS regions
 - Performance based contracting
 - Initially staffed by state employees to share knowledge about system needs
 - Licensing remains a state responsibility
 - Well resourced with \$2 million in private start up funds

Utah – Lessons Learned

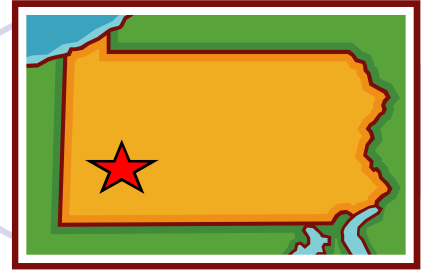


- Separate licensing role from Foundation's role
- Support for public employees during transition
- Clear regional goals for performance
 - Recruitment objectives (#s, skills, etc.)
 - Support objectives (freq & types of supports delivered)
 - Training objectives (learning needs met)
- Exit interviews w/all foster parents leaving system
- Feedback loop to DCFS on pros and cons of licensing, case management, court & placement
- “Cluster Networking” supports foster parents in their community

Other Promising Public-Private Efforts

- Allegheny County, Pennsylvania:
 - “Focus on prevention”
- Kentucky:
 - “Training for the private workforce, too”
- El Paso County, Colorado:
 - “Joining forces in response to family violence”

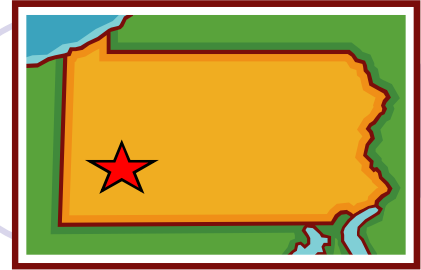
Allegheny County, PA



Strong partnership with private agencies to keep families together and out of the system

- 50% of budget devoted to prevention & in-home services
- Resource specialists in every field office link families to needed community based services
- Continuum of prevention programs with private agencies:
 - 33 family support centers across county
 - Home visiting for new moms of children age 0-5
 - After-school/summer activities for high-risk youth in public housing communities
 - Enrichment support for at-risk youth (e.g., music lessons, travel money, sports fees, museum memberships, etc.)
 - Wraparound/mentoring for drug abusing pregnant moms

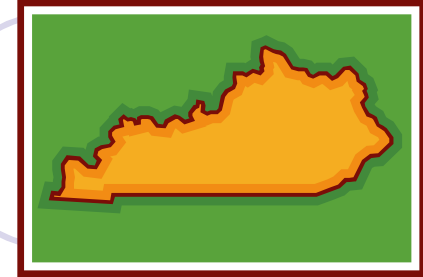
Allegheny County, PA



Focus on prevention showing promising results:

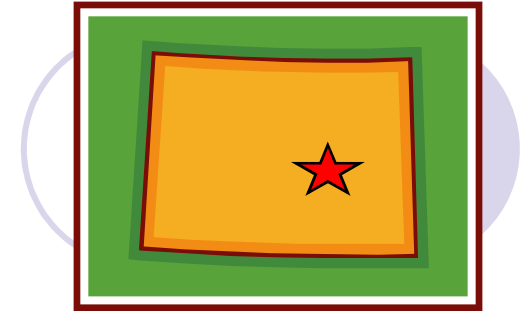
Outcome	National Average	Allegheny County
Reduction in foster care placements	8% (1998-2003)	24% (1996-2005)
Children reunified with family	55% (FY 2003)	79% (2004)
Children placed with relatives	23% (FY 2003)	62% (2005)
Child deaths from abuse/neglect	2.1 per 100,000 (2003-2004)	0 (2003-2006)

Kentucky Residential Worker Competency Project



- Professional training for private agency contractors serving child welfare & juvenile justice
 - Designed by University of Kentucky Training Resource Center in collaboration with private agencies
 - Delivered at **no cost** to private agencies
 - Trainees: staff of emergency shelters, group homes, residential treatment facilities, therapeutic foster care, etc.
- Flexible options beyond classroom instruction
 - on-line courses, 1-day workshops, intensive multi-day sessions
- State reimbursed with IV-E Administrative funds

El Paso County, Colorado The Greenbook Project



- Public-private collaborative to better serve families involved in domestic violence and child maltreatment
- Defined common mission and target goals
- Early focus on increasing cross-system empathy
- Identified resources & information sharing needs
- Built system capacity within & across systems to achieve desired results

NOTE: this initiative is also underway in Santa Clara and San Francisco Counties



Strategies for Success: shared risks

- Know service population dynamics to set realistic performance expectations, adequate payment rates & reimbursement levels
- Use good data and expect accountability system wide
- Regularly communicate progress toward desired outcomes
- Anticipate risks to include risk mitigation strategies up front



Strategies for Success: shared results

- Reach consensus on desired outcomes
- Measure & reward successful performance
- Encourage climate of trust and open communication system wide
- Include wide variety of stakeholders' perspectives in designing solutions
- Keep families' interests as the driving factor in all service delivery solutions



Strategies for Success: shared resources

- Integrate strengths of both sectors to fill gaps in current service system
- Clear roles & responsibilities between public and private entities
- Ongoing training & support to implement new roles for public and private agency staff
- Pool flexible funding to help overcome agency defined treatment silos
- Create opportunities for community investment

Effective Partnerships Rely On...

- Clear purpose for why partnership is needed
- Accurate assessment of each partner's strengths & constraints to meet objectives
- Authentic participation of partners in design of collaborative solution
- Adaptability driven by commitment to mission
- High degree of communication for continuous evaluation, learning and improvement





Continuing System Gaps

- October 2006 GAO Study found across all states, including California:
 - Providing **adequate services** to children and at-risk families in all jurisdictions across state
 - Placement of children in **appropriate homes** (assumes continued use of foster care as the primary safety intervention)
 - **Responsiveness of services** to the needs of children and their families

Public-Private Partnerships: A Matter of Degree

Partnerships

Creating a community collaborative for child protection **5**

Shared organizational infrastructure (written agreements for information sharing, staff liaison positions, co-location of staff, etc.) **4**

3 Joint program development to create new intervention solutions

2 Joint case planning with public & private service providers, the family and their support network

1 Basic, effective referrals of families to private service providers

Linkages



What are the goals for California?

- Fewer children in care?
- Increased placement stability?
- Improved safety?
- Shorter time to permanency?
- Improved well-being for youth exiting the system?

Looking ahead...



- What enhanced role can private agencies play in California's child welfare system improvement plans?
- How does privatization fit within the context of increasing demand for results?
 - Katie A. class action law suit and other public policy mandates
- What unique strengths can the private sector offer to help California's public child welfare system achieve success?