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

Lessons Learned from Other States

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Leslie Ann Hay, MSW
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:
  1. Downsizing of public sector capacity
  2. Government deregulation
  3. Cost containment
  4. Greater focus on improved outcomes

Newer aspects of privatization include:
  1. Use of performance-based incentives
  2. Implementation of managed care principles
  3. 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

- Rates of Referrals / Substantiated Referrals
- Community-Based, Family-Centered Services vs. Out-of-Home Care
- Use of Least Restrictive Form of Care
- Counterbalanced Indicators of System Performance
- Permanency Through Reunification, Adoption, or Guardianship
- Use of Least Restrictive Form of Care
- Maintaining Positive Attachments to Family
- Stability and Safety Of Care
- Length Of Stay
- Re-entry
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
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:

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<tr>
<th>Outcome</th>
<th>National Average</th>
<th>Allegheny County</th>
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<tr>
<td>Children placed with relatives</td>
<td>23% (FY 2003)</td>
<td>62% (2005)</td>
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<tr>
<td>Child deaths from abuse/neglect</td>
<td>2.1 per 100,000 (2003-2004)</td>
<td>0 (2003-2006)</td>
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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
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
Creating a community collaborative for child protection

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

Joint program development to create new intervention solutions

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

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 lawsuit and other public policy mandates

- What unique strengths can the private sector offer to help California’s public child welfare system achieve success?