

## Foster Care Redesign

Texas Alliance of Child and Family Services  
February 1, 2011

## Advocacy Points to Reinstate Rates

- **Foster Care Redesign:** Contingent on maintaining current FC funding
  - Redesign will improve child well-being
    - Blended rate incentivizes to reduce level of services as child improves
    - State saves money as average cost of care goes down
  - Redesign will reduce time in care
    - Case rate incentivizes to move children quickly from system
    - Savings reinvested in system which supports continued improvements in child well-being
- **Safety:** Cuts to rates risk child safety
- **Under-reimbursed:** Current rates do not cover cost of care

## Rate Reimbursement Levels

24-Hour Residential Care	Rate September 1, 2010	Fully Funded 2012-2013
DFPS Foster Families	\$29.08	\$33.28
Child Placing Agencies	\$55.51	\$59.71
CPA-Foster Family Pass Through	\$29.08	\$33.28
CPA- Retainage	\$26.43	\$26.43
Residential	\$121.18	\$148.67
Emergency Shelters	\$115.14	\$159.85
Intensive Psychiatric Transition Program	\$374.33	\$388.55

## Options To Implement Redesign

### **BUDGET RIDER**

*Should be added to bill in markup. Language includes following points:*

- **Redesign Report:** Begin implementation during the FY 2012-2013 biennium in accordance with the Foster Care Redesign 2010 report.
- **Performance and Incentives:** Payment methods shall be based on performance targets and may include incentive payments for superior performance as well as funding for additional services provided to families.
- **Only Applies Where Implemented:** DFPS may continue to reimburse some providers under 24-hour residential rates in effect on the effective date of this Act, while using alternative payment methodologies for providers included in the redesign phase-in.

## Options to Implement Redesign

### LEGISLATION

SB 218 by Nelson

- **Report:** Implement redesign in accordance with 2010 report
  - **Goals:** Goal of redesign to improve outcomes for children by ensuring that:
    - Home community placement
    - Placed in least restrictive setting that meets child's need
    - Served by a provider that will ensure the full continuum of care in a designated geographic area.
      - Supporting minimal placement moves
    - Place with siblings when safe and appropriate
    - Culture respected
    - Child experiences similar to those not in foster care
    - Child can participate in decisions impacting their lives
- (Redesign Report states that not all goals will be appropriate for every child)*

## SB 218

- **Payment:** HHSC must use payment rates under the redesigned system that are different from current.
  - Caps funding at FY2012 levels (Should be corrected in substitute)
- **Staged Implementation:** May phase in implementation and continue current payments to those not part of roll out.
- **Full Report:** Full report on status of implementation December 1, 2012

## Parameters and Contingencies

### Design Parameters

- No Additional Funding
- DFPS Retains Case Management

### Redesign Contingencies

- Maintaining current Foster Care funding
- Increased Provider authority/participation in making placements within continuum
- Provider authority to impact outcomes held accountable for
- Transfer of DFPS resources commensurate with transferred tasks
- Staged Implementation that shows positive results prior to expanding roll-out
- Increased collaboration DFPS and stakeholders

## Before and After System

### CURRENT

- Open Enrollment
- Multiple Contracts
- Payment Linked to Multiple Levels of Care
- Services to Families Delivered by Separate Providers
- Inconsistent Transitioning Between Placements

### NEW

- Competitive Procurement
- Contract for Continuum
- Single Blended Case Rate
- Coordinated to Child and Family
- Coordinated Placement Moves

## Contracts

- Competitively Procured through RFP
  - Open to profit and non-profit; Texas and non-Texas; preference to Texas providers
- Contract for full continuum of services in specified catchment area for continuum- Single Source Continuum Contractor (SSCC)
  - Provide services directly or through network of subcontractors
  - No eject /reject
  - Has placement authority within continuum (limited by DFPS veto power)
  - Has flexibility to pay some subcontractors more to meet special needs
- Receives separate blended purchase of services funds to pay for family work
- Receives administrative offset from DFPS for contract oversight of subcontracts

## Payments

### Blended Rate

- Paid each day of service provided to child regardless of service level or placement
- Equals the average rate paid across all placement types and adjusted for mix of service levels of children cared for by the SSCC

### Blended Case Rate

- SSCC paid blended rate each day of service, but rewards and remedies are applied based on whether SSCC exceeds or decreases the historical average length of stay
  - Annual "settle up" based on net results for all children served that year
  - Minimum pass through required for foster family; not subcontractors
  - Carve out for PMN and dual diagnosis- still must be served
- Administrative portion of rate will be paid upfront in the first month of operation to build infrastructure

## Quality Indicators

- Recommended as optimal; acknowledge not all indicators appropriate for every child
- First and foremost, children are safe in their placements
- Children are placed in home communities
- Children are appropriately served in least restrictive environment that supports minimal moves for the child
- Children are placed with siblings
- Services respect the child's culture
- To prepare for adulthood, children have experiences similar to non-foster peers
- Children provided opportunities to participate in decisions that impact their lives

## Staged Implementation

### STAGE I

#### Building Infrastructure

Establish Geographic Areas (one Metro- one non-Metro)  
 Competitively Procure Continuum Contract  
 Transfer Equivalent Administrative Resources  
 Implement Performance Based Contract  
 Implement Blended Rate: De Link payment from billed level of care

### STAGE II

Consolidate Purchase of Services (POS) Contract Funds  
 Allocate POS funds to Contractor to use flexibly to meet client service needs  
 Transfer Equivalent Administrative Resources  
 Increase Provider Role with Family

### STAGE III

Implement Case Rate  
 Reinvest Leverage Funds  
 Increase Provider Role with Families

## Implementation Timetable

### **STAGE 1- FIRSTTWO CATCHMENT AREAS**

- One Year (January 2012-2013)
- January 2013 Report Legislature

### **STAGE 2-FIRSTTWO CATCHMENT AREAS**

- January 2013-2014

### **SECOND RFP- THIRD CATCHMENT AREA**

- 2013 if successful evaluation of Stage 1 in first catchment areas

## RFP Process

### **March:**

- Draft RFP for public comment issued. 45 day comment period
- Geographic area (catchment area) not identified

### **Summer 2011:**

- Final RFP issued
- One metro and one non-metro catchment area identified

### **January 2012:**

Award SSCC contract for each catchment area:

## United Support- PPP Members

- **Judge** William Mazur, Dallas County
- **Judge** Peter Sakai, Bexar County
- **Judge** Paul Gallego, Cluster Court Webb County
- **Judge** F. Scott McCown (retired, CPPP)
- **CASA** - Andrea Sparks
- **Supreme Court Judicial Commission for Children, Youth, and Families**- Tina Amberboy
- **Texas Alliance of Child and Family Services** – Nancy Holman
- **Texas Association of Child Placing Agencies** –Stephanie Gray
- **Texas Network of Youth Services** – Teresa Tod
- **Texas Foster Family Association** – Roy Block
- **Foster Youth Representative** –Caroline Bagues
- **Eleven Private Agency Provider Organizations** (CPA, ES, RTC, Basic Care, Camps, Schools)
- **DFPS**- CPS, RCCL, Regional Director