



Texas Alliance of Child and Family Services

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How to Survive and Thrive Under a Performance-Based Contract

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Why Are We Here?

- To understand new expectations;
- To understand the risks and opportunities for the SSCC and providers;
- To reach a common understanding of what it takes to successfully manage or deliver services under a performance-based contract; and,
- To help you identify priority areas that may need your attention!

What Are We Talking About?

- **Performance-based contracting** means the structuring of all aspects of the procurement of services around the purpose of the work to be performed and the desired results with the contract requirements set forth in clear, specific, and objective terms with measurable outcomes. Contracts include provisions that link the performance of the contractor to the level and timing of reimbursement.

“Never tell people how to do things. Tell them what you want to achieve and they will surprise you with their ingenuity.” General George Patton

Results & Accountability

- Most of the noise about contract reform has been focused on the fiscal strategies. The real story is that new approaches to contracting out have simply been a vehicle to reach an end goal—better results.
- How are the results determined? The CFSR findings, legislative mandates, analysis of current performance, consent decrees.....
- Monitoring becomes even more important under PB contracts.

Results & Accountability

- Since public agencies are focused on quality and results, contractors have to have capacity to collect and manage (and report) utilization, quality, outcomes, and fiscal data.
- Typically, new initiatives hold primary contractors (and any subcontractors) accountable for client outcomes and system improvements (process) measures.
- The most important change relates to what gets monitored and how (by either the public agency and/or by extension the lead agency).

What Do States Want?

- Correct system deficits and meet federal mandates (for the same or less \$\$\$!)
- Providers who are able to share risks and/or be held accountable for results.
- Quality—Accreditation is increasingly important.
- In Texas, the State is not looking at the SSCC as a service provider. Instead you are supposed to manage resources and get results. If you can't help them, they will find someone who can.

What Do States Want?

Providing safe care is not enough. States (and the SSCC) want:

- greater engagement of families,
- reductions in repeat maltreatment,
- placement stability,
- shorter LOS, permanency that lasts,
- reduced reliance on group/residential care,
- fewer re-entries into OHC,
- fewer youth aging out without permanent adult connections,

In short, states want you to help meet CFSR outcomes/indicators (and stay within budget).

What Are the Risks & Opportunities?

- You could have greater financial risk in the future than you do today.
- Why take the risk? By being willing to assume risk, private agencies gain greater control over day-to-day decisions and resources and build stronger alliances with public agencies and private partners; theoretically giving them greater control over results that benefit children and families while also advancing the agency's mission.

Key SSCC Contract Requirements

- Partner with public agency to integrate and manage/coordinate all services
- Build and manage a continuum of services/placement options and ensure continuity of care from entry to exit and beyond
- Meet outcomes and performance standards
- Accept all referrals-No reject/no eject
- Maintain quality - QA/QI
- Maintain solid fiscal and management systems to manage risks and stay within budget

Requirements (cont)

- Increase community engagement/resource development
- Utilization management to ensure children get what they need—no more and no less!
- 24/7 Seamless intake and referral processes
- DATA!!! Collection, analysis, and reporting
- Administrative infrastructure – “business capacity”
- Timely, frequent, and effective child & family engagement, visitation, and worker contact.

The Private Agency Challenge

When everything around you is uncertain but action is needed what can you do?

Regardless of whether or not you intend to be the SSCC or a service provider, the first step is to ask and answer some basic questions...

What Do You Know About Trends?

- Hotline reports
- Rates of findings
- Rates of placement
- Length of stay
- Permanency goal attainment
- Re-entry
- Disparity in outcomes across subsets of children, geographic areas?
- The state's CFSR findings? What's in the PIP?

What Do You Know About Kids & Families You Serve?

- Demographics
- Disproportionality
- Most common problems
- Geographic distribution
- What services they receive?
- Which populations succeed?
- Which cost the most to serve?
- Relationship between needs and services
- Relationship between services, outcomes, and costs
- Utilization patterns

Are There Enough of the “Right” Services in Your Region(s)?

The ideal would be to have sufficient capacity to be able to wrap appropriate services around the child and family, no matter where the child is served. There could be opportunities for different types of agencies to meet the changing needs:

- 1) Informal providers (“free” community services and supports);
- 2) Contracted “formal” providers (reimbursed directly by the SSCC), and
- 3) Providers reimbursed outside the lead agency contract (BH, Medicaid, etc).

Are you ready to systematically assess needs, identify and fill gaps?

What Services and Supports MIGHT the SSCC Need to Build or Buy?

- Care Coordination, TCM
- Crisis Intervention
- Child Abuse Prevention and Early intervention
- In-home services
- A full array of out-of-home care placement options
- Foster care recruitment & support
- Kinship care
- Adoption
- Independent Living Services
- Reunification services
- Behavioral health services for child/parents
- Aftercare
- Non-traditional community and faith-based services and supports

Can You Individualize Services to Get RESULTS?

Program Focus:

- Structured, integrated components
- Delineated progression
- Little variability
- “Preferred” length
- Staff attached to program

Service Focus:

- Menu of services available
- Progression tied to client needs/functioning
- Highly variable
- Length determined by client progress
- Staff attached to client

What Do you Know About Your Costs?

- What do your services (units of service) cost?
- Is there a difference in cost of direct services and what you purchase? Between your costs and those of competitors?
- Do you analyze fixed/variable costs and look at ways to improve these numbers?
- Do you reward productivity at the staff and subcontractor level?

What Do You Know About Risk?

- Risk = Variability.
- Depending on the payment model, you could be at risk for:
 - Case mix (including legacy and new cases)
 - Rate of entry
 - Cost of producing a unit of service
 - Volume of units used
 - Types of services used, utilization patterns
 - Performance (e.g., LOS, post-permanency “warranty” periods, or other explicit/implicit outcomes)
- Accurate and timely data is the best protection!

How Will You Control Decisions that Impact Risk?

- Child/family needs assessment
- Service Plans—linked to permanency and concurrent case plans
- FTMs? Who convenes/facilitates?
- Placement decisions and level of care
- Court-related petitions and hearings and case closure
- Problem-solving and dispute resolution processes
- Caseload and other “quality” standards

Do You Have the Mindset, Tools, & Creativity to Succeed?

1. Wraparound planning
2. Family engagement from day 1
3. Timely assessments
4. Family-driven Service Plans
5. A focus on results (at all levels)
6. A full array of in-home and OHC services
7. Clinical protocols and decision support tools
8. Utilization management
9. Meaningful involvement of community in building SOC
10. Robust Data System
11. Data literacy
12. Frequent service reviews
13. Caseloads that meet accreditation standards
14. Training and enhanced supervision
15. An effective communication strategy
16. Increased attention to prevention & BH
17. SOC practice principles and EBP

Is the Business Side Covered?

- Strong Administrative team
- Intake/Call Center
- Placement Matching
- Assessment
- UM
- Fiscal Management
- Data Systems & Reporting
- People Management
- Network Development/ R & R
- QA/QI (quality management system)
- Contract Monitoring
- Community Engagement/Communications

Intake, Referral Call Center

- Single point of entry with 24 /7, 365 coverage
- Admission/intake criteria and checklists to ensure essential data is captured to guide assessment/service decisions & referrals
- Streamlined process for referral to care coordination and service and placement providers
- Capacity to support providers/caregivers
- Robust data tracking capacity-date/time clock starts for DFPS referrals and initiation of services.

Placement Matching

- Placement unit (part of call center?) staffed by qualified staff with specialized skills to assist DFPS workers
- Real-time access to information on available placement options—including preferences, abilities of caregivers and facilities matched to child needs/placement criteria
- Multi-level utilization review to ensure placement meets needs and children are moving towards permanency.
- Capacity to track/report placement timeliness/appropriateness/stability.

Assessment

- Conduct, track & monitor assessments
- Ensure that in-home and out-of-home care children receive health and dental screens, with more comprehensive BH assessments based on need.
- Quality review mechanisms to ensure timely and complete assessments
- Coordinate all assessments into the service plan (through participation on the Family Service Teams)
- Capacity to track & monitor assessment utilization and COSTS!

Utilization Management

Can you assure that resources are used effectively through the appropriate allocation of services? Do you have a clearly defined UM system that includes:

- Prior authorization –Standardized assessment, LOC and other standard criteria to determine appropriate services/placement.
- Concurrent review- Process for periodic review using standard criteria (from 1-7 days to every 30 or 60 days).
- Discharge/aftercare review- Adequate to ensure no re-entry
- Retrospective QA review- Process for periodic “look-back” to see what worked and what didn’t & to test validity of criteria/tools.

Fiscal Management

- System in place to manage risks inherent in payment
- Ability to capture unit costs across services/providers
- Ability to continually track actual vs. projected costs
- Ability to track utilization and costs per child per year (linked to “outcomes”?)
- Claims payment system—methodology for authorizing/paying for services in timely manner, including adjudication of claims
- Handle inquiries/disputes with providers over claims.

DATA Management

- Do you have accurate /real-time data to manage PMs that have incentives/penalties?
- Are you able to spot variability in performance—drilling down to the staff-and subcontractor level to ensure consistency?
- Is data regularly used to guide practice changes/staffing patterns? Referrals for service? or Quality Improvement?
- Are you ready for challenges in having your system “talk” to state’s data system?

Reporting

- Can you capture, use, and report client, fiscal, and output/outcome data? Do you have customized reporting for internal and external use, including:
 - Client tracking from entry to exit
 - UM
 - QA/QI
 - Fiscal-profit/loss, contract burn rate
 - Client satisfaction
 - Staff productivity
 - Outputs/outcomes

Reporting (cont)

- **Intake/referral management** -Track referrals by provider, service or client type. Track "live" processing time. Track the status of every referral. Generate detailed reports of processing and compliance.
- **Assessment/Placement Management** – Child data matched to placement provider/resource family data. Standard LOC criteria and process for identifying what assessments are needed and when. Unified management and financial reporting module allows you to capture data on assessments and utilization across all placement types.

Reporting (cont)

- **Utilization & Claims Management** – UR criteria and automatic triggers for reviews. Ability to match authorizations for services against claims submitted for payment.
- **Client Tracking/Care coordination** - Draws data from all modules/systems to provide a full picture of client services from day 1 through closure. Integrated with case notes- tracks both the client side transactions like face to face meetings, FTMS, phone calls, legal and medical events and the services provided, as well as administrative transactions and projected vs. actual expenses, etc.

Early Warning System?

- Models with overlapping areas of responsibility between public and private agency workers can be risky. Lack of role clarity can jeopardize success.
- The SSCC MUST have data-driven early warning system to spot and resolve issues that pose a significant financial risk:
 - What data will be needed, at what frequency, reported to who, and to be used how?
 - What capacity will be needed to respond immediately when performance lags?
- What is the strategy for engaging DFPS BEFORE you are in crisis to handle issues that require a collaborative strategy?

People Management

- Do you have the right capacity of people, doing the right things to get to the results? (PS...You may need to pay more than you are used to paying—particularly for senior managers!)
- Do managers understand how to “manage for results”?
- Do you have performance-based job descriptions?
- Training and enhanced supervision is KEY to success!
- Are staff at all levels prepared to use data and be accountable for results?
- Are you prepared to have staff level incentives?

Network Development

- Decide what to purchase and what to deliver
- Set rates
- Introduce performance incentives/penalties?
- Standardize application/credentialing process
- Orientation/training and T/A
- Online provider manual & directory
- Monitor performance
- Capacity to track results/costs of direct and purchased services.
- Online scorecard.
- Streamlined (electronic) claims payment process
- Determine how services will be added - Competitive procurement?

Foster Family Recruitment & Retention

- Need a well-defined plan and a data system from day 1 to be able to track “flow”—how many inquiries does it take to get a licensed home? What is the drop-off rate from orientation to training to License? Are the families you are recruiting the “right” families to care for the children entering care? How do you know?
- Once you have a family, what will it take to keep them? You will NEVER be able to rely on recruitment alone to increase net capacity!
- What types of supports do you provide to foster and relative caregivers? How do you know if it is enough?
- Do you have recruitment goals for each area you cover? What data can you track to see if you are meeting goals?

Quality Management

- Actionable, multi-layered continuous data-driven QA/QI processes including peer reviews and “mini” CFSRs
- Long-term and interim performance indicators (balanced scorecards)
- Drill down analysis to staff level for both direct and purchased services
- Appeals/grievance process
- Satisfaction surveys –**USE THE DATA!**
- Continuous monitoring of contract compliance
- Daily, weekly, monthly management reports

Contract Monitoring

- Performance expectations are clear in contracts (SSCC and in subcontractor agreements)
- When responsibilities for contract monitoring, compliance, and QI are split between multiple agencies (DFPS and SSCC), mechanisms are created to ensure coordination of effort. Duplicative activities are reduced.
- Some agencies have Performance Monitoring Teams, comprised of cross-agency staff. Have to ensure that staff members assigned monitoring responsibilities possess the necessary skills.

Monitoring (Cont)

- SSCC provides continuous feedback, early identification of concerns, and the results of all periodic evaluations.
- When problems are identified, SSCC provides support (up to a point!) to help agencies attain desired results.
- Monitoring tools are standardized to reduce variability and ensure valid results.
- Monitoring approaches might be tailored to the level of risk of each contract provider.
- Stakeholders are kept informed about monitoring findings.
- Results can (and should) impact referrals and/or payments....

Monitoring (cont)

DFPS and/or the SSCC could use a variety of approaches to monitor performance, including:

- Reviewing monthly and quarterly reports,
- Reviewing case records,
- Monthly or quarterly face-to-face problem-solving meetings,
- Scheduled and unscheduled site visits,
- Reviewing critical incidents, and
- Conducting QSRs or independent evaluations.

Monitoring Challenges

- Clarifying public and private agency responsibilities and reducing duplication in oversight functions.
- Preparing public agency and SSCC monitors who may lack the knowledge or skills to monitor *results* rather than *processes*.
- Integrating monitoring with the agency's overall quality management system to ensure continual improvements.
- Creating adequate technology to monitor efficiently and effectively

Summary of Top Ten Competencies

- Organizational leadership and a STRONG team!
- A strategic plan and vision consistent with PBC
- A focus on outcomes from start to finish with CQI-from top to bottom
- A demonstrated capacity to achieve results
- Ability to manage change, costs & risk
- Ability to collect and USE data (KPIs, Balanced Scorecards)
- Ability to build a workforce with the knowledge and skills to survive PBCs
- STRONG administrative capacity
- \$ to build the infrastructure/capacity needed
- Advocacy, communication, and community engagement

So...What Do You Want to Be?

You have several fundamental choices. You can:

- Decide to be a valued, niche provider in 1 or more regions.
- Decide to bid as a single SSCC in 1 or more regions.
- Decide to partner with existing providers to create a new entity to bid.

Each of those strategies presents different risks and opportunities

How Do You Decide?

- How broad/diverse are the services you provide?
- Are you a market leader? What is your market share? Is it growing or declining? Are you the price/cost leader?
- Is your quality comparable to or better than agencies providing similar services? How do you know? (PROVE IT)
- Can you think beyond what you do today to create what is needed—bringing in and overseeing services provided by other agencies?
- Do you have the admin capacity to collect and use data to manage services, risks, and quality to get RESULTS?

How Do You Decide?

- Do you have the right “friends”—political survival 101
- Is bigger better (broad collaboration) or, is total control best?
- Diversification versus specialization?
- Partners and competitors—blurred lines between friend and foe- How do you know?
- For-profit versus nonprofit-Does anybody care?
- How do stakeholders see your agency?
- Do you have a solid marketing/communication plan?

Success Strategies- Prioritize Today!

- Know the state's (region's) weaknesses and proactively create the capacity to fill gaps or offer alternatives to meet identified needs.
- Know your internal strengths/weaknesses and how you stack up to competitors.
- Have a board that understands and embraces future risks/opportunities.
- Have steady, stable CEO and an effective management team (cover all bases!)

Success Strategies (cont)

- Make sure all staff are prepared for the changes to come.
- Have access to \$ to get ready for an uncertain future (staff and infrastructure enhancements - IT!!!)
- Have the capacity and WILL to enhance business and casework practices and expand/individualize services (“unbundle” programs).
- Have the mindset and ability to create alternatives to out-of-home care and embrace family-centered practice.
- Be effective in monitoring/managing service utilization, outputs/outcomes, quality, and costs.

Success Strategies (cont)

- Broaden service offerings and/or expand into new geographic areas within or outside the State.
- Have a sound approach to collaboration and local community engagement.
- Second guess everything that you do with an eye towards more effectively and efficiently meeting child and family needs.
- Be able to gain the public agency's trust.
- Be a strong advocate!

Trailblazers-Providence

- **Providence Service Corporation-** Publicly traded corporation founded in 1997 in response to the increasing governmental initiatives to privatize human services. Providence is labeled the "Human Services Company Without Walls" due to the fact that the company does not own or operate any type of institution.
- It has made at least 11 strategic acquisitions in 10-12 years.
- Network has grown from serving 1,300 clients in a single state to over 40,000 clients served from 204 locations in 32 states and DC.
- Aggressively pursues contracting opportunities. **Welcome to TEXAS!**

Trailblazers-Choices

- Choices, Inc., a nonprofit organization based in Indianapolis, IN, was a pioneer in system of care “wraparound” models in the late 1990s (Project Dawn).
- A strong data system and innovative case management , network development models garner praise.
- Contracts in Indiana, Ohio, Maryland and Washington DC.
- Choices is pursuing contracts in other states as they rebid initiatives—Florida appears on the hit list!

Trailblazers- KVC

- From the 1990's to today, KVC has grown to become one of the largest child welfare and behavioral healthcare continuums of care in the nation.
- KVC adopted a philosophy of “no reject-no eject” admissions and has emphasized continual research and education.
- Successfully managed various VERY risky contracts and grew from under \$8 M to over \$80 M in 10 years.
- KVC operates in KS, KY, WV, MO, and NE. Expansion aspirations appear to be on hold at least until dust settles in NE.

Trailblazers-CHS-Florida

- Children's Home Society Florida-Founded in 1902, is now the 8th largest child welfare agency in the country.
- A founding partner of many of the state's lead agencies.
- Responsible for the care of nearly one-third of Florida's foster children.
- Built IT system that supports other agencies in the state.
- Excels in adoptions—reaching over 3000 in a year.
- To date, CHS has not focused on expansion into other markets. But other lead agencies have. **Hello Eckerd!**

Questions & Answers

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Let's talk...