MANAGING CARE for Children and Families

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A Newsletter of the National Child Welfare Resource Center for Organizational Improvement

From the Director...

As child welfare agencies work to implement the Adoption and Safe Families Act's requirements on expedited permanency decisions, it becomes increasingly important to identify effective approaches to managing the utilization of services. Agencies need utilization management tools and processes to ensure that the services they deliver are both necessary and effective in moving children towards their goals.

Organizations operating under managed care arrangements—where the agency receives a fixed payment to achieve positive outcomes by managing a particular group of services—are especially motivated to manage utilization. These child welfare initiatives are adapting the utilization management technology of managed care to child welfare.

In this issue we focus on utilization management tools and processes used by child welfare managed care initiatives. Our lead article describes commonly used utilization management approaches. It highlights the utilization management efforts of two sites—one, a public child welfare agency and the other, a group of private agencies under contract to a public agency.

The Practice Forum provides additional examples of two of these approaches—gatekeeping through collaboration across agencies, and the involvement of families and communities in managing care. We also take a closer look at an effort to develop practice guidelines to assist providers in delivering the most effective services.

As usual, we highlight resources we hope will be useful to you, and welcome your comments!

—Kris Sahonchik

Utilization Management in Child Welfare Managed Care

In This Issue:

New Strategies:
Utilization Management

New Approaches to Providing Quality Services, Controlling Costs

As traditional managed care tools have been applied to child and family services, diverse and creative models of managing care have emerged. Under child welfare managed care, a broad range of organizations—both public agencies and private providers—are now receiving fixed amounts of flexible funds in exchange for the responsibility of providing a group of services and achieving defined outcomes for the children served.

The emphasis on outcomes, combined with the potential for retaining savings if costs are less than the fixed payment, has created a dual incentive for these organizations to improve how care is managed. Many are using utilization management approaches—a range of tools and processes to ensure that services provided to children and their families are both necessary and effective.

"Many county child welfare agencies are becoming managed care organizations"

Two models illustrate the range of approaches that child welfare organizations are using to ensure careful management of the utilization of services.

Public agencies

Across the country, many county child welfare agencies are becoming managed care organizations. In this model, states provide counties with a fixed amount of funds, take steps to make the funds more flexible, and allow counties to keep some portion of the savings.

In Colorado, for example, state legislation has capped child welfare allocations to counties and authorized the state to develop performance-based agreements with a group of pilot managed care counties. Pilot counties have increased flexibility to spend funds and negotiate rates. They are also able to keep up to 5% of any general fund savings at the end of the fiscal year if they meet the outcomes defined in the agreement with the state.

Colorado's Mesa County was one of the first three pilots that began operating in July 1997. By the end of that year, the county had demonstrated that it had met its safety and permanency outcomes. As agreed, the state gave the county $240,000 in savings, which was added to a similar amount of saved county match funds.

Private providers

In this model, states or counties pay contractors a fixed case rate for each child served. Contractors are required to provide a continuum of services to achieve defined outcomes.

Under the Massachusetts Commonworks program, for example, the state pays lead agencies a monthly case rate to provide a continuum of services designed to achieve permanency for adolescents in residential and group care. Le agencies also receive a lump su intake and may receive additic performance-based payments: example, when a child transiti to a less restric level of care, a discharge, and when perman placement has maintained fo months. Afte discharge, lead agencies can a receive afterca payments for s months.

"The state pays lead agencies a monthly care rate...which must be spent on services for children"

Commonworks contracts were initiated in January 1997. Aft months of gathering cost data, state is now allowing regional Department of Social Services (DSS) offices and lead agencie retain up to 5% of savings, wh must be spent on services for children.

The state agency retains case management of Commonworks children, but lead agencies play an expanded role in treatment planning by managing provider networks and authorizing all services. Massachusetts has also contracted with a service management organization (SMO), Options Commonworks, to support lead agencies by providing administrative services.

Although different in many ways, the Colorado and Massachusetts models draw upon a common core group of utilization management approaches. Both sites have:

- implemented processes to regularly review goal-oriented plans of care,
- created strategies to identify and provide services that are necessary and effective, and
- developed key supports for these processes.

Following are examples of how these utilization management approaches have been implemented in these two projects.

Reviewing plans

Both initiatives require workers to develop plans of care that state the goals of services for each child and family. Both initiatives also have a utilization review process to review these plans at least every 90 days.

Utilization reviews focus on whether the services in the plan:

- are services that the child and family need,
- have been delivered to the child or family as planned, and
- are meeting goals for that child or family.

This regular process of assessing the necessity and effectiveness of services is at the heart of utilization management. In both Mesa County, Colorado, and Massachusetts, extensive collaboration on both the systemic and case level supports the process.

In Mesa County, after an initial assessment (which is often completed jointly with a mental health worker), child welfare caseworkers bring cases in need of ongoing services to a CORE team of clinical managers from across systems. These managers—who represent human services, mental health, drug and alcohol services, schools and a local wraparound program—provide a multidisciplinary assessment.

The team then assigns services to the child and family, drawing from a core menu of services from across systems. The group designates a multidisciplinary treatment team and schedules the initial utilization review/treatment team (UR/TT) meeting. Department of Human Services (DHS) supervisors convene this initial meeting within 60 days of case opening and oversee subsequent UR/TT meetings every 90 days.

"Assessing the necessity and effectiveness of services is at the heart of utilization review"

Mesa County's utilization review process focuses on involving families, intervening early, and getting the right services to children and their families. A critical part of the process has been developing strategies to ensure attendance at the utilization review meetings, both by families and by providers.

To address this issue, DHS and its partners in the mental health managed care organization have built language into provider contracts requiring provider participation. Attendance forms and corresponding automated databases track participation, and written and verbal contact is made with non-participants.

"At each UR, participants review placement and non-placement services"

Mesa County has also developed systems to track services. Prior to the initial utilization review (UR), clerical staff enter assigned services into a database and check on whether services have been initiated. The system tracks authorized and actual service delivery and provides reports that inform the UR meetings.

At each UR, participants review both placement and non-placement services. Family members are asked about their need for the services, their satisfaction with them, and any barriers to using them. Providers are asked to state the goals of their service and the progress being made.

If progress is being made (or a plan is developed to overcome identified barriers to progress), the supervisor reauthorizes services. This structured process has driven good practice and controlled costs by requiring the family, DSS staff, and providers to focus on whether the services are both necessary and effective.

In Massachusetts prior to Commonworks, DSS caseworkers and residential treatment providers were the primary managers of care for adolescents in these settings. For children referred to Commonworks, another layer of management has been added. Lead agencies, assisted by Options Commonworks, are now financially responsible for paying for care for Commonworks children and clinically responsible for developing provider networks and authorizing and overseeing all services.

Commonworks has instituted a consistent treatment planning process, which focuses residential providers, lead agencies, and DSS caseworkers regularly on goals. Within six weeks of a child's entry into Commonworks, the placement provider is required to develop a treatment plan that states the DSS permanency goal, the goal

of the placement, and specific, measurable treatment plan goals and objectives.

Treatment plans are monitored by lead agency staff, who focus both the system of providers and the case level treatment team meetings on effective approaches to meeting children's goals. Lead agencies convene monthly meetings of clinical staff from provider agencies to discuss effective approaches to managing care and to problem solve around "stuck" cases. Program managers also meet monthly to identify strategies that are working and program areas that need to be developed.

"Lead agencies convene monthly meetings... to problem solve around 'stuck' cases"

Every three months, providers update the treatment plan and complete a treatment progress review form. This process requires them to document family and client participation in the treatment planning process and to report on progress made towards goals and obstacles to progress. DSS staff, lead agencies and providers discuss the treatment plan and progress at the quarterly treatment team meetings.

Lead agencies formally review each treatment plan every quarter. They review documentation to determine whether the goals, objectives and services are appropriate, whether the services are adequate to meet goals, and whether they are delivered as planned. They also look at what progress has been made and whether obstacles are identified and addressed before determining whether to approve or modify the treatment plan.

As in Mesa County, this regular review of treatment plans and careful attention to the effectiveness and necessity of services contribute to effective utilization management.

Providing necessary services

Both Mesa County and the Massachusetts Commonworks programs use a range of strategies to ensure that they are identifying and providing necessary and effective services. These include developing level or care criteria, gatekeeping procedures and new services.

Level of care criteria

In Mesa County, a placement guide is completed for all children in out-of-home care prior to each UR. After consultation with families and providers, the caseworker rates the child's behavior on seven different dimensions on a scale of one to three. The total points provide a guide to the appropriate level of care and an opportunity to discuss progress since the last review and the appropriateness of the placement.

Commonworks has developed a level of care criteria set that is used initially and at six month intervals to assess five evaluation parameters. The scores on each evaluation parameter are combined to provide a guide to the recommended level of service and the levels of care at which that service can be provided.

Every other quarter, providers must document on the treatment plan the level of service and the level of care suggested by the guidelines, the actual disposition of the child, and rationale for any deviation. Initially, the tool helps DSS and lead agencies gather comprehensive data on the history of all of the child's behaviors. Using the tool regularly helps to evaluate whether interventions have been successful and whether placement levels are appropriate.

Gatekeeping

Gatekeeping procedures are used when children are moving to higher levels of care. They provide a check that the services are necessary for the child's condition. In Mesa County, the CORE team tightly controls services. Treatment teams can allocate resources within the level initially authorized by CORE, but CORE must approve any increase in service levels. If a child is going into out-of-home placement or moving to a higher level of placement, the placement guide is completed and CORE's review and approval is required.

"Gatekeeping procedures... provide a check that services are necessary..."

Developing new services

Utilization management processes have encouraged agencies to develop new services to meet unaddressed needs. Mesa County, for example, uses part of its savings to hire a foster care coordinator to develop more specialized foster homes. These homes provide more structure than a regular foster home but are less restrictive and less costly than residential treatment.

Under Commonworks, the flexibility of lead agency funding makes it possible to subcontract for new services and to pay for individualized services. For example, in the Southeast Region, the lead agency has expanded the number of specialized foster homes, contracted with innovative independent living programs, and provided items such computers and tuition to support treatment plans.

Continued page 8, see Supports

Practice Forum:

More Strategies for Effective Utilization Management

Here's a snapshot of some additional strategies that agencies are using to effectively manage the utilization of services…

Interagency collaboration

Under Ohio's IV-E waiver, Crawford County Children's Services Board (CSB) receives a fixed, one-time, capitated payment from the state each year to provide a full range of child welfare services to children. The funds can be used flexibly and the county is at risk—that is, it is responsible for costs above the capitated amount, and it can keep any savings generated by effective management of care.

Historically, the county had a high number of children in costly out-of-county placements and had been frustrated by the poor results of these placement services. Administrators decided to focus on reducing the number of out-of-county placements by partnering with a local collaborative, Family and Children First Council (FCF Council) to act as gatekeepers. CSB approached the FCF Council and asked the group to assist them in managing care of children headed to out-of-county placements. The county also invited the Council to share any of the savings that their work generated.

The FCF Council is a state-mandated collaborative organization of 11 members from a broad range of agencies serving children (children's services, mental health, mental retardation, welfare, juvenile justice, and education) as well as local elected officials. It also includes three optional members, which, in Crawford County, are a domestic violence shelter, the private industry council, and a community center.

In order to utilize the strengths of this body, the county changed the system for entry into out-of-county placement. In the past, representatives of any system could petition a judge directly, and the judge could order a child into placement at CSB expense. Now personnel are required to present the case to the FCF Council, which must approve the placement.

The Council's team of clinical managers serves as the gatekeeper for out-of-county placements. The team reviews cases and develops alternative ways to serve children within the community. It has developed wraparound services, respite services and other individualized supports and service packages to maintain children in less restrictive in-county settings.

The creativity and energy of this group has been inspired by the promise of controlling saved funds. This year the group received a check for $35,000 in savings from the county.

To improve outcomes for children who must be placed out-of-county, CSB has contracted with a private company to manage these placements for a fixed case rate. Now in its third contract year, the company receives a single payment of $45,000 to cover administrative costs and costs of care for as long as a child needs it.

The company is also responsible for the child's care if he or she returns to placement up to six months after a return home. The contractor has also negotiated a group stop loss provision for all of the children admitted in a given year. When total costs for that group exceed the payment, the contractor pays the

first $250,000 in cost overruns, and the county is responsible for costs over that amount.

Overall, Crawford County has seen a 66% reduction in the number of children in out-of-county placements over the last two years and has seen improvements in results for children who are sent out of county.

Involving families

In Santa Clara County, California, a non-profit community mental health center, Eastfield Ming Quong (EMQ) has worked with families and community members to create Program Uplift. The project enrolls children from the state's highest level of residential care. Its goal is to serve them in less restrictive, community- based settings.

With flexible funding and a commitment to wraparound services, Program Uplift has fostered interagency collaboration, family based practice and community involvement in managing care.

A few years ago, the county, with support from state officials, allowed EMQ to divert funds used for residential treatment to home and

community-based services. Program Uplift was successful, and became a model for SB 163, a state law that allows counties to redirect a portion of their residential care dollars to home and community-based services. SB 163 allows this flexibility with state dollars; now under the state's IV-E waiver, similar projects are also able to draw on federal dollars.

A multi-agency panel of mid-level managers from child welfare, mental health and probation meets regularly to approve referrals to Program Uplift. This group has created a collaborative forum that allows these three systems to communicate about common children and programmatic issues.

Under the wraparound approach, EMQ has used a number of strategies to center services on families. Facilitators create individual child and family teams with the goal of having 60% of members come from the family and the family's natural support network. While the teams include traditional providers, the program makes a conscious effort to work with the family to search out and make connections with potential sources of support.

EMQ employs consumers as Family Partners to work to engage families entering care, to advocate for families, to educate parents and to arrange parent-to-parent support. In developing service plans, the team starts with the family's vision of what they want their future to look like, then assesses the family's needs and strengths and identifies service strategies that will build on their strengths.

The community is involved in Program Uplift through a community team, which monitors service plans and program success. The community team consists of representatives of public agencies, private groups, volunteer groups, parents and providers. This team creates a panel that meets monthly to review the progress of individual plans. The team also takes an active role in investigating and working to overcome barriers to success.

"Over 85% of the children served have been maintained with their families and communities..."

Active involvement of agencies, families and communities has helped develop more effective services. Over 85% of the children served have been maintained successfully with their families and communities, and children showed improvements on behavior scales from the Child and Adolescent Functional Assessment and the Child Behavior Checklist.

Treatment guidelines

As a service management organization (SMO) under the Commonworks program in Massachusetts, Options Commonworks is developing treatment guidelines for high-risk populations. The first set, "Best Practice Treatment Guidelines for Adolescent Firesetters in Residential Treatment," is now complete.

To develop the guidelines, Options Commonworks led a collaborative process involving providers, lead agencies, DSS staff and subject matter experts. The groups worked over a six month period to identify best practices.

The resulting guidelines provide comprehensive and practical guidance for care of adolescent firesetters in residential treatment and aftercare settings by:

- providing information on how to conduct assessments, classify the type of firesetter and make appropriate placement decisions,
- dealing with treatment planning issues, such as integrating firesetters into mixed populations, ensuring safety, and coordinating treatment with community resources, schools and families, and
- discussing the range of treatment interventions and providing guidelines to treatment by level of care within Commonworks.

Resources and More....

On Managed Care in Child Welfare

Child Welfare: Early Experiences Implementing a Managed Care Approach. GAO Report, #GAO/HEHS-99-8, October 1998 (1 copy free). Available from the GAO at (202) 512-6000.

1998 State Profiles: Managed Care and Privatization Initiatives. February 1999, Child Welfare League Managed Care Institute ($10). Available from the Managed Care Institute at (202) 942-0246.

Special Analysis: Child Welfare Managed Care Reform Initiatives. October 1998, R.Schulzinger et al, conducted as part of the Health Care Reform Tracking Project. Available from the National Technical Assistance Center for Children's Mental Health, (202) 687-5000.

Managed Care Database Search, 1994-1998. ($3). Available from the National Clearinghouse on Child Abuse and Neglect Information, (800) FYI-3366. This document provides abstracts and ordering information for a broad range of journal articles and other publications on managed care in child welfare.

From the Resource Center

More information on the utilization management tools used in Mesa County, Colorado, in the Massachusetts Commonworks program is available through the Clearinghouse at the National Child Welfare Resource Center for Organizational Improvement, 1-800-HELP-KID. These include:

- An audiotape of a teleconference, "Utilization Management Tools," featuring administrators from Colorado and Massachusetts who describe the development and use of utilization management tools, and
- The handouts developed to accompany the teleconference, which provide copies of the utilization management tools being used by these two sites.
- Copies of "Best Practice Treatment Guidelines for Adolescent Firesetters in Residential Treatment." (see page 6)

The Resource Center also delivers a variety of services to assist child welfare agencies with their information management needs. Recent projects include:

- Data Use Conference: The Resource Center planned, coordinated and hosted a national conference aimed as assisting state child welfare directors use data to make critical management decisions.
- SACWIS Information Management Project: The Resource Center has received a two year grant to develop a competency-based curriculum designed to teach public child welfare supervisors how to use SACWIS-generated data to improve casework practice.
- Colorado SACWIS Implementation Consultation: Center consultants worked with Colorado's SACWIS development team to help design a system to facilitate performance measurements.

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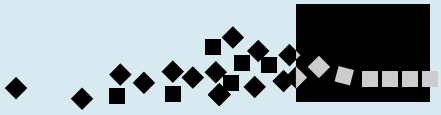
National Child Welfare Resource Center
for Organizational Improvement
University of Southern Maine
1 Post Office Square
PO Box 15010
Portland, ME 04112



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Telephone: 207-780-5810
Toll Free: 1-800-HELP-KID
Fax: 207-780-5817
TDD: 207-780-5646
E-mail: patn@usm.maine.edu

Kris Sahonchik, Executive Director

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Supports, *continued from page 4*

Both programs also provide a number of supports for their utilization management process.

Information systems

Mesa County's MIS Department created the information system that is used to track attendance at meetings and services authorized and delivered to children and families. In Massachusetts, Options Commonworks has developed two information systems—a service utilization tracking systems, which reports on all services delivered to Commonworks adolescents, and a treatment planning system which allows the project to track progress towards treatment goals.

These information systems allow program managers to examine patterns of care across children and across providers. For example, Options Commonworks provides lead agencies with data on average lengths of stay of adolescents in different residential settings, both in their region and statewide. This has helped managers explore variations in practice and identify effective providers and approaches.

Staff training and support

Finally, child welfare caseworkers involved in these collaborative ventures to manage utilization are required to act in new ways and to develop new skills. An important step in implementing utilization management is to support and train staff so they can effectively participate in or lead these efforts.

In Mesa County, part of the pilot project savings has been used for new clerical support staff, so that caseworkers can focus more on conducting assessments, working with families, and participating in treatment teams. The county has provided cross-agency training on treatment teams and on facilitation skills.

Both public agencies and contracted providers have developed strong utilization management systems that focus attention regularly on whether services are necessary and effective. As these systems are implemented more widely, they will strengthen our ability to provide quality services while controlling the cost of care.

Material for this issue of *Managing Care* was compiled by Mary O'Brien, MPA. Mary's work for the Resource Center focuses on issues of pooled funding, managed care and creative financing for comprehensive services. She brings to the Resource Center a background in Medicaid managed care, health care financing, and program evaluation.

Editors:
David Karraker
Barbara Sparks

Layout and design:
Peter Bramley