

## **IMPROVING OUTCOMES IN CONTRACTED OUT OF HOME SERVICES: STRATEGIES AND RESOURCES**

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As child welfare agencies work to improve outcomes for children and families, they are increasingly reaching out to work with key partners in delivering services. In many states, contracted private providers are one of those key partners, in the critical role of providing foster care, group home and residential care services. With the pressure to achieve permanency, along with safety and well being, many child welfare agencies are focusing on how they can work with providers in improve outcomes for children in out of home care.

The National Child Welfare Resource Center for Organizational Improvement (NRCOI) tracks and provides information about different approaches being used to improve performance of contracted services. Many sites will use a combination of these approaches. Below we provide an overview of different approaches and associated resources:

**Specify outcomes in contracts and increase monitoring of outcomes:** Many agencies are working with their providers to add outcome focused performance expectations into written contracts, and to set up systems to track and report on performance on those outcomes. This is the approach used by the **Kansas performance based** contracts. Resources:

- **National Child Welfare Resource Center for Organizational Improvement teleconference:** September 16, 2004: “Getting Providers on Board: Outcomes Focused Contracting”: This featured presentations by KS and IL. The handouts and audiotape of this call are available by contacting the Clearinghouse at 1-800-435-7543. A summary of the teleconference can be found at <http://muskie.usm.maine.edu/helpkids/telepast.htm>
  
- **National Child Welfare Resource Center for Organizational Improvement teleconference.** November 10, 2005: “Engaging Providers in Systems Reform”. This featured presentations by MA DSS and a provider representative on their work to form family resource networks. Area lead agencies will manage a whole array of services on both the case and the system level, and collaborative efforts between DSS, providers and families are being used to define a philosophy that everyone can agree with and to develop a performance framework. A summary of this call and handouts can be found at <http://muskie.usm.maine.edu/helpkids/telepast.htm>. An audiotape of this call is also available by contacting the Clearinghouse at 1-800-435-7543.

**Redeploying deep end funds from across systems – system of care approach:** Many sites have worked to identify funds that are being used to support deep end services (such as residential treatment or psychiatric hospitalization) for children across systems (child welfare, juvenile justice, mental health, Medicaid). These funds are then redeployed to an entity that organizes and provides community based, wraparound services to specific children and families who are moved out of or diverted from those higher levels of care. This entity takes on accountability for outcomes for those served. This is a “deal”, where funds are taken from deep end services and transferred to community based services, sometimes generating savings that allow additional services to be provided or children to be served. Examples of this approach are the **Wraparound Milwaukee** program and the **Dawn Project**. Resources:

- Wraparound Milwaukee program has been successful in reducing the number of children in residential care, increasing access to other services and increasing the stability of placements. See the website: <http://www.county.milwaukee.gov/display/router.asp?docid=7851>. See also an article in Juvenile Justice Journal that describes the program, the measures being used, and performance on those measures: [http://www.ncjrs.org/html/ojjdp/jjnl\\_2000\\_4/wrap.html](http://www.ncjrs.org/html/ojjdp/jjnl_2000_4/wrap.html)
- The Dawn Project in Indiana and the MHSPY program in Massachusetts are profiled in *Promising Approaches for Behavioral Health Services to Children and Adolescents and Their Families in Managed Care Systems--Making Interagency Initiatives Work for Children and Families in the Child Welfare System*, from the National Technical Assistance Center for Children’s Mental Health. Available at the National TA Center’s website [http://gucchd.georgetown.edu/files/products\\_publications/cw3.pdf](http://gucchd.georgetown.edu/files/products_publications/cw3.pdf)

The Dawn Project is also profiled in the Children’s Bureau website as a promising practice identified in the child and family services review process: <http://www.acf.hhs.gov/programs/cb/cwmonitoring/promise/index.htm> (under agency collaboration).

**Reimbursement level tied to achievement of outcomes in child welfare contracts:**

Agencies have tried multiple approaches to adding financial consequences for performance to contracts. These include:

- **Add performance payments:** Contractors continue to be paid a daily or monthly rate, but this rate is restructured and payment made at performance points are added to the contract. These payments are sometimes made both in lump sums at referral – to provide some flexible, up front resources – and in lump sums when performance milestones are reached, such as discharge to a permanent setting and being maintained safely in that setting for a period of time. These arrangement

have proven to be difficult to implement well, and many have started and then been discontinued.

- **Outcomes focused adoption payments:** Some sites have had some success with an outcomes based reimbursement system for adoption contracts. For example, Michigan used an outcomes based reimbursement system that rewards timeliness of adoptions and recruitment efforts. See [http://www.michigan.gov/dhs/0,1607,7-124-5452\\_7116-23480--,00.html](http://www.michigan.gov/dhs/0,1607,7-124-5452_7116-23480--,00.html)
- **The Illinois approach:** the agency and providers worked together to design a financing system that provides a financial incentive to improve outcomes. They made a “deal” that the agency would invest additional funds into services and supports for families needed to move children to permanency more quickly, and the payments to providers would reflect their performance. IL decided to pay providers for serving a set number of children, and then establish standards for the number of new cases each contracted provider must accept, and the rate of permanencies that was expected. If the agency met this expected permanency target, the funding was adequate. If they did not meet the target, they would have to provide services to more kids for the same fixed amount of funds. However, if they exceeded the target they would have excess funds to invest in services.  
Resource:
  - “Performance Contracting in Illinois: Using Leverage to Drive Results” at <http://muskie.usm.maine.edu/helpkids/tele.htm> (under June 6, 2006 teleconference)