



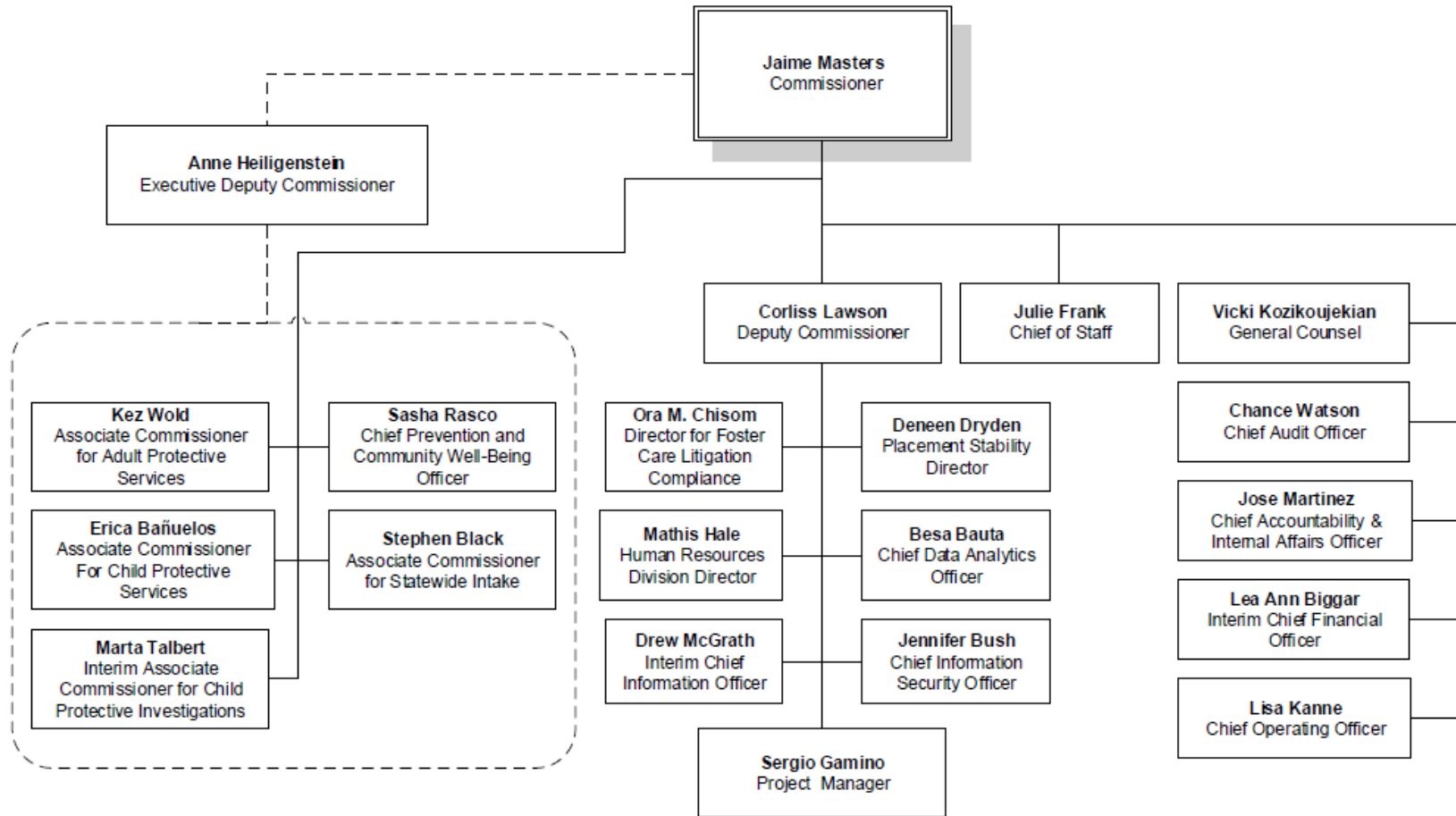
Texas Department of  
**Family and Protective Services**

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Presentation to the  
Community-Based Care Transition  
Legislative Oversight Committee

Commissioner Jaime Masters, MS, MFT  
August 22, 2022

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Revised 8/10/22

## Community-Based Care

Community-Based Care, Texas Family Code Section 264.151 et seq.

## Oversight Provisions

### **Title IV-E:**

Federal Payments for Foster Care, Prevention, and Permanency, 42 United States Code Annotated Section 670 et seq.

Foster Care Maintenance Payments, Adoption Assistance, and Child & Family Services (general provisions), 45 Code of Federal Regulations Part 1355

Foster Care Maintenance Payments, Adoption Assistance, and Child & Family Services (requirements applicable to Title IV-E), 45 Code of Federal Regulations Part 1356

### **State Statutes:**

Foster Care, Texas Family Code Section 264.101 et seq.

Community-Based Care, Texas Family Code Section 264.168

Texas Human Resources Code Section 40.002

Texas Human Resources Code Section 40.040



# Foster Care Redesign and Community-Based Care

# Foster Care Redesign: Concept Development

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## Public Private Partnership

Twenty-five (25) individuals, including foster youth alumni, members of the judiciary, foster care providers, child and family advocates, provider associations, and DFPS staff participated in the Public Private Partnership (PPP) that served as the guiding body to develop recommendations for a redesigned foster care system.

## DFPS Parameters for Redesign

- **Cost Neutral:** Model must neither require nor preclude additional funding, except for funding for normal entitlement caseload growth.
- **Case Management:** Oversight of the legal case and case management must remain the role of DFPS.

## PPP Recommendations

- **Change the way services are procured:** From an open enrollment of providers to a competitive procurement.
- **Change the way we contract:** From efforts-based contracts to performance-based contracts.
- **Change the way we pay for services:** From multiple services rates to a single blended foster care rate.
- **Stage implementation:** To minimize risk and maximize opportunities for success.

December 2010 - PPP members signed a consensus letter containing these recommendations to the DFPS Commissioner.

January 2011 - DFPS issued the Foster Care Redesign report on the direction of redesigning the foster care system.

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## Foster Care Redesign (2010 – 2017)

### **Stage 1**

- SSCC is responsible for ensuring full continuum of paid foster care services, as well as Preparation for Adult Living (PAL) life skills training and purchased adoption services.

### **Stage 2**

- Includes Stage 1 services; and
- Extends responsibility to include family services for children in paid foster care.

### **Stage 3**

- Includes Stage 1 and 2 services; and
- SSCC is held financially accountable through the use of incentives and remedies for the timely achievement of permanency for served children beginning 18-months after Stage II services transferred.

## Community-Based Care (2017 – Present)

### **Stage 1**

- SSCC is responsible for ensuring full continuum of paid foster care services, as well as Preparation for Adult Living (PAL) life skills training and purchased adoption services.

### **Stage 2**

- Includes Stage 1 services; and
- Extends responsibility to include provision of all substitute care services (kinship, reunification, etc.), ICPC (Interstate Placements), as well as responsibility for all case management services (establishing the permanency goal for the family, face-to-face visits with children and families, permanency/case planning activities, court activities, kinship caregiver support, etc.).

### **Stage 3**

- Includes Stage 1 and 2 services; and
- SSCC is held financially accountable through the use of incentives and remedies for the timely achievement of permanency for served children beginning 18-months after case management services transferred.

Under Foster Care Redesign (now Community-Based Care), DFPS shifted from paying multiple service rates to a single foster care **blended rate** to incentivize improved child well-being and give SSCCs the flexibility to manage foster care payments within a network of service providers.

The blended rate is based on the case mix of children in foster care within a catchment area.

- Calculated based on the total DFPS expenditures per region, divided by the total daily foster care population. This produces the total average daily cost per child by area.
- Given the case mix of children is different by geographic area, the blended rate ends up varying from one catchment area to another.

SSCCs also receive reimbursement for services for children whose needs exceed what can be met through the use of the blended rate through the **Exceptional Care** rate.

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Senate Bill 218, by Nelson (82<sup>nd</sup> Regular Session, 2011)

- Codified the redesign of the foster care system in accordance with the Foster Care Redesign Report.
- Established goals of Foster Care Redesign to ensure that children are safe in care, placed close to home with their siblings, foster care moves are minimized, and children are provided quality services in appropriate settings that are least restrictive, thereby improving outcomes for children in paid foster care.
- Authorized the development of a blended rate for use in the redesigned system. Allowed payments to be tied to performance targets (Stage III).

DFPS developed the model and released a procurement for:

- One (1) metropolitan area (South Texas / Rio Grande Valley (Region 11)); and
- One (1) non-metropolitan area (Big Country / Texoma / Permian / Concho (Region 2/9)).

<b>Foster Care Redesign Rollout</b>	
January 2013	Contract awarded to Providence, Inc.
August 2013	Transfer care of children to Providence, Inc.
December 2013	Contract awarded to ACH Child and Family Services – Our Community Our Kids (OCOK)
July 2014	Transfer care of children to OCOK, who were already served through ACH’s Child Placing Agency
August 2014	Providence, Inc. contract voluntarily terminated – Providence exercised opt-out clause
September 2014	OCOK began receiving new referrals for the entire catchment area





## Third-Party Analysis of SSCC-related Cost

DFPS contracted with Public Consulting Group (PCG), Inc. in July 2014 to conduct an analysis of the start-up cost and resource transfer necessary for implementation to accurately identify where potential shortfalls may exist when an SSCC takes over a catchment area.

**Start-up Cost:** DFPS originally provided start-up funding in the amount of \$208,000 per SSCC.

- PCG determined this amount to be insufficient and identified the costs related to a new organization, such as, hiring and training staff, public relations campaign for providers, developing a provider network, developing information technology infrastructure, and developing internal policies and procedures.

**Resource Transfer:** DFPS originally transferred the amount of money DFPS would have spent to the SSCCs to support its operations.

- PCG determined that the resources transfer was insufficient to cover costs as DFPS did not transfer any resources of FTEs associated with overhead, administrative tasks, supervision of staff, community engagement, or case coordination.

The PCG report was used to specifically identify costs that SSCCs had in start-up and determined that funding was significantly less than the actual costs incurred by the current SSCCs.

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## Start-up Costs

DFPS



SSCC

 <b>IT/Operations</b>	<ul style="list-style-type: none"><li>• Software development (upgrade own system)</li><li>• SSCC share of organization's IT support and office software</li></ul>
 <b>Office</b>	<ul style="list-style-type: none"><li>• Office supplies</li><li>• Office equipment leases</li><li>• Occupancy and maintenance (rent, utilities, etc.)</li><li>• Workstations, computers, phones</li></ul>
 <b>New Staff</b>	<ul style="list-style-type: none"><li>• Compensation, benefits, and taxes for new hires, shared, and satellite staff</li></ul>
 <b>Network Service Providers</b>	<ul style="list-style-type: none"><li>• Outreach and community engagement, website development, communications plan</li></ul>
 <b>Insurance</b>	<ul style="list-style-type: none"><li>• Retain and expand new insurance contract</li></ul>
 <b>IT Infrastructure</b>	<ul style="list-style-type: none"><li>• Retain telecommunication service providers for new offices</li></ul>



## FTE Resource Transfer

## Region 1



**DFPS**  Texas Department of  
Family and Protective Services

**SSCC**  **Saint Francis**  
MINISTRIES

Stage I  
34 FTEs

**Conservatorship**

**31 FTEs**

**Placement Coordination**

**3 FTEs**

**Conservatorship**

**208 FTEs**

**Kinship**

**18 FTEs**

**Local Permanency**

**10 FTEs**

**Program Administration**

**4 FTEs**

**PAL**

**3 FTEs**

**277 total FTEs\***

Stage II  
243 FTEs

\* Numbers as of 2/28/2022



At the start of FY 2015, FCR has been implemented in Metroplex West (3B) by OCOK. DFPS requested funds to procure additional catchment areas, pay additional start-up costs, and support FCR implementation based on the PCG Report.

DFPS requested funding to:

- Expand FCR to two (2) new catchment areas in each year of the 2016-17 biennium (4 total).
- Add an additional FCR Administrator position for each new catchment area.
- Add a new Program Specialist VII position to support continuous quality improvement.
- Establish an annual network support payment for each child of \$808 to each SSCC and increase the one-time start-up to \$1.0 million.

The 84<sup>th</sup> Legislature funded one (1) FTE, one (1) catchment area, network support and Stage I start-up cost.

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## Senate Bill 11, by Schwertner (85<sup>th</sup> Regular Session, 2017)

- **Transformed** Foster Care Redesign into the model known today as Community-Based Care (CBC).
- **Modified Stage II** to include provisions of all substitute care services as well as responsibility for **all case management services**, such as, establishing the permanency goal for the family, case planning, and court activities.
- Directed DFPS to **develop a formal readiness review process** to assess the SSCCs ability to conduct case management services, provide evidence-informed services, and have sufficient provider capacity to serve all service level needs.
- Directed DFPS to **identify not more than eight (8) catchment areas** that are best suited to implement CBC.
- **Added to the enumerated goals for CBC** to include: priority for kinship placements; maintain normal childhood activities; and reunification with biological parents; and if not possible, placement of children with relatives or kinship.

At the start of FY 2017, DFPS was negotiating with OCOK to move into Stage II and was planning additional roll outs for the upcoming biennium. DFPS requested funds to:

- Expand *Foster Care Redesign* to four (4) new catchment areas in each year of the 2018-19 biennium (8 total).
- Support cost of care, network support costs, and other costs including; fringe benefits, indirect costs, and resources for (Metroplex West (3B) and Big Country / Texoma (2)) to Stage II.

The 85th Legislature funded four (4) new catchment areas in the 2018-19 biennium.

Community-Based Care Rollout	
August 2016	DFPS released RFA to re-procure Big Country / Texoma (2). Procurement not awarded.
May 2018	DFPS awarded CBC contract to 2INGage for Big Country / Texoma (2)
August 2018	DFPS awarded CBC contract to The Children’s Shelter – Family Tapestry for Bexar County (8A)
August 2018	DFPS renewed contract with OCOK through 2023
January 2019	2INGage started Stage I
February 2019	Family Tapestry started Stage I
July 2019	DFPS awarded CBC contract to St. Francis Community Services for the Panhandle (1)



At the start of FY 2019, DFPS had released an RFA for Panhandle (1) and implemented CBC in three (3) catchment areas included: OCOK (Metroplex West (3W)), 2INgage (Big Country / Texoma (2)) and Family Tapestry (Bexar County (8A)).

DFPS requested funds to:

- Add five (5) new catchment areas; and
- Expand four (4) existing catchment areas to Stage II.

The 86<sup>th</sup> Legislature provided funding for two (2) new catchment areas and to expand Stage II in three (3) areas.

<b>Community-Based Care Rollout</b>	
September 2019	OCOK begins start-up for Stage II
January 2020	2INgage prepares for Stage II
January 2020	St. Francis started Stage I
February 2020	DFPS made a tentative award to Pathways for South Central / Hill Country (8B). Bidder withdrew.
March 2020	OCOK begins Stage II
June 2020	2INgage begins Stage II
March 2021	DFPS awarded CBC contract for South Central / Hill Country (8B) to Belong
May 2021	Family Tapestry (8A) gave notice it was terminating its contract
October 2021	Belong begins Stage I

## Senate Bill 1896, by Kolkhorst (87th Regular Session, 2021)

- Established the Office of Community-Based Care Transition (OCBCT). Theresa “Trisha” Thomas was appointed by the Governor in June 2021.
- Set up a new independent office structure, administratively attached to DFPS, to focus on implementation along with reviewing what has been done to better implement CBC.
- DFPS and OCBCT have worked to clearly delineate the duties of staff that develop, procure, and provide oversight for CBC and facilitate implementation, and those duties required to remain with DFPS regarding compliance with federal and state law.

## DFPS requested funding to:

- Add four (4) new catchment areas; and
- Expand Stage II in two (2) existing catchment areas.

The 87<sup>th</sup> Legislature fully-funded DFPS’ request for four (4) new catchment areas and expansion of Stage II in two (2) existing catchment areas.

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DFPS maintains a critical role in supporting the work of OCBCT, as well as having both a collaborative and at times independent role, in furthering and maintaining CBC.

These key actions heavily involve DFPS supports through:

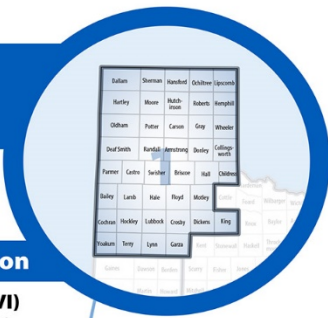
- Contract Administration Managers (CAMs) ensure each SSCC implements the CBC model in compliance with applicable state and federal rules and regulations, monitors the quality of SSCC contract performance, and address performance issues through appropriate contract actions.
- Case Management Oversight (CMO) staff, as required by Title IV-E, provide direct training and technical assistance, and ensure placement and other actions meet federal requirements.

DFPS provides administrative support to OCBCT for budget, forecasting, legal, personnel, information technology and data.



## FTEs Added on Roll-out

## Region 1



### Stages I and II

#### DFPS Chief Operating Officer

**1**  
FTE

**Contract Administration Manager I** to manage entire contract life cycle, support procurement and contract establishment, and ensure contract management and monitoring tasks, including stakeholder involvement, are accomplished.

#### Office of Community-Based Care Transition

**1**  
FTE

**CBC Administrator (Program Specialist VI)** to support development of RFP, procurement, contract award, and readiness. Functions as on-site liaison to support implementation and ongoing technical assistance to SSCC.

### Stage II

#### CPS Associate Commissioner

**16**  
FTEs  
total

#### 12 Case Management Oversight (CMO) Workers

One Case Management Oversight worker for every 200 children in the catchment area. Positions provide subject matter expertise, help assess performance trends, and perform case reads. Positions will address serious case concerns and provide technical assistance related to practice issues and trends as well as providing necessary oversight per federal requirements.

#### 3 Case Management Oversight Supervisors

One Case Management Oversight supervisor for every five CMO worker FTEs

#### 1 Case Management Oversight Administrative Assistant

One Case Management Oversight administrative assistant FTE for each catchment area



DFPS and OCBCT identified supports for simultaneous roll-outs and an expedited CBC timeline.

- OCBCT reorganized staff structure to expedite implementation and streamline processes.
- DFPS and OCBCT recently submitted a Legislative Appropriations Request (LAR) to include additional program support (FTEs) to further accelerate the roll-out of CBC for the FY 2024-25 biennium.

DFPS and OCBCT have worked with SSCs to identify technology impediments and developed a plan for additional interoperability, which informed the LAR Exceptional Item request for the 88<sup>th</sup> Legislature.



Texas Department of  
**Family and Protective Services**

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## Appendices

1. Community-Based Care: General Appropriations Act
  2. Community-Based Care Funding: Legacy System Funds Transferred to SSCC's
  3. Community-Based Care Funding: Additional Funding to SSCC's
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# Community-Based Care: General Appropriations Act

Below is a listing of budget riders from the 87<sup>th</sup> Legislative Session:

Rider	Rider Title	Rider Description
15	Community-Based Care	DFPS must report select performance measures twice annually to the Legislature. Rider requires that DFPS compare the performance of the SSCCs.
24	Rate Listing and Limitation	List the blended rates and exceptional rates allowed for each CBC area that is funded for roll out (or continuation) during the FY 2022-2023 biennium.
27	Limitations: Community-Based Care Payments	Lists the funding allotted for CBC, including direct delivery staff.
36	Community-Based Care Oversight Staff	Designates the CBC oversight staff included in the funds appropriated.
38	Aligning Oversight of Foster Care Providers and Foster Families	Requires DFPS and HHSC to align foster care oversight functions, including improving alignment with CBC implementation.
46	Random Moment Time Study	Requires DFPS to submit the results of the RMTS to the Legislature.
47	Community-Based Care Stage III Incentives and Payments	Gives DFPS the authority to make the financial incentive payments and collect remedies in Stage III of CBC.
51	Community-Based Care Capacity	Provides funds for CBC capacity building payments.
Special Provision 26	Reimbursement Rates and Methodology; Reporting Requirements: Legacy Foster Care, Community-Based Care Services, and Other Child Services	New reimbursement rate methodology for foster care, CBC, and other child services.



# Community-Based Care Funding: Legacy System Funds Transferred to SSCC's

Strategy	Type of Funding	Summary	Methodology
B.1.1	Resource Transfer Stage I	Ongoing annual cost paid to the SSCC for performing tasks and functions performed by DFPS staff in the legacy system.	Proportion of total appropriation by Stage and projected percentage of children in care.
B.1.1	Resource Transfer Stage II		
B.1.4	Adoption Purchased Services (Stages I & II)	Supports adoption process for children served by the SSCC as a part of CBC	Same fee schedule as is paid in legacy system per adoptive placement.
B.1.6	Preparation for Adult Living Services (Stages I & II)	Services to eligible youth to support successful transition into adulthood.	Proportion of appropriation allocated to life skills training based on eligible population.
B.1.7	Substance Abuse Services (Stage II)	Funds substance use drug and alcohol testing and therapy.	Proportion of appropriation allocated to Conservatorship based on child population in Stage II.
B.1.8	Quality & Utilization Management (Stages I & II)	Supports monitoring to ensure children are receiving the services appropriate to their assessed needs.	Proportion of appropriation allocated for Utilization Management services based on children in paid foster care.
B.1.8	Other Purchased Client Services (Stage II)	Services to support permanency such as evaluation and treatment, caregiver training, etc.	Proportion of appropriation allocated to Conservatorship based on child population in Stage II.
B.1.9	Foster Care- Blended Rate (Stage I&II)	Reimbursement for foster care for children served by the SSCC in the given CBC area.	Unique to each area and based on projected case mix of population.
	Foster Care- Exceptional Care Rate (Stage I&II)	Reimbursement for services for children whose needs far exceed what can be met through use of the blended rate.	Statewide rate based on state's use of child specific contracts, includes a 50/50 cost share.



# Community-Based Care Funding: Additional Funding to SSCC's

Strategy	Type of Funding	Summary	Methodology
B.1.1	Start-Up Stage I	One-time payment for readiness activities such as local protocol development and workforce development and training; software purchases; and office leases.	\$997,000 per SSCC as informed by an external analysis of start-up costs.
B.1.1	Start-Up Stage II		Methodology developed through an external analysis.
B.1.1	Additional Resource Transfer (Stage II)	Additional amount appropriated by Texas Legislature for enhanced case management services.	Twenty-five percent of the initial Stage II resources transfer amount.
B.1.1	Child and Adolescent Needs and Strengths Assessment (CANS) (Stages I&II)	Supports case planning for children receiving therapeutic services.	Proportion of appropriation allocated for CANS services based on projected number of assessments needed.
B.1.1	Network Support Payment (Stage I)	Supports new costs to the system for capacity/network development and oversight, community engagement and IT systems requirements.	\$1900 per child FTE per year in Stage I placement settings
B.1.9	Network Support Payment (Stage II)		\$1900 per child FTE per year in Stage II placement settings