TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
H. L. Whitman, Jr.

March 7, 2017

DFPS REPORT/PUBLICATION CLEARANCE REQUEST

MEMORANDUM FOR THE COMMISSIONER

THROUGH: Kristene Blackstone
          Associate Commissioner for Child Protective Services

FROM: Camille Gilliam
          Director of Permanency

          Kaysie Reinhardt
          Director of Foster Care Redesign

SUBJECT: Rider 25 – Foster Care Redesign Report (February 2017)

Purpose

To request your approval to submit the required DFPS Rider 25 Foster Care Redesign Report to the Senate Committee on Finance, the House Committee on Appropriations, the Senate Committee on Health and Human Services, the House Committee on Human Services, the Legislative Budget Board (LBB), and the Governor, as mandated by Rider 25, (page II-41) in Article II of the General Appropriations Act, 84th Texas Legislature.

Background

As per the General Appropriations Act, enacted by the 84th Legislature, the Department of Family and Protective Services (DFPS) is required to report the following:

- Selected performance measures identified by the LBB to allow for comparative analysis between the legacy and foster care redesign systems; and
- The most recent trends and impact occurring in the redesigned foster care system, identification and analysis of factors negatively impacting any outcomes,

recommendations to address problems identified from the data, and other information
necessary to determine the status of the redesigned foster care system.

DFPS is required to report this information to the Senate Committee on Finance, the House
Committee on Appropriations, the Senate Committee on Health and Human Services, the House
Committee on Human Services, the Legislative Budget Board, and the Governor on February 1st
and August 1st for each year of the biennium, in a format specified by the LBB.

This is the February 2017 report with data through fiscal year 2017, quarter 1.

Summary

The LBB provided the attached format for the DFPS Rider 29 Foster Care Redesign Report in
accordance with Rider 29, General Appropriations Act 1, 83rd Legislature, Regular Session,
2013. DFPS continues to use this format for the DFPS Rider 25 Foster Care Redesign Report,
with some exceptions. Following the submission of the August 2015 report, the LBB approved
the omission or modification of some performance measures that were not valuable to comparing
the legacy and redesigned systems. The LBB also agreed that DFPS could produce an excel
spreadsheet in lieu of the previously produced data tables. CPS has now revised this spreadsheet
to support accessibility.

Comments from Chief of Staff - Rand Harris

No comments. External Relations will distribute the report to the required offices.

Comments from Finance – Lisa Subia

Finance concurs with the decision to release the report. Data in the financial portions of the
reports matches its submission.

Comments from Legal - Audrey Carmical

Approve to release report.

Comments from Program Operations – Lynn Blackmore

The Operations division has no concerns and supports the release of the Rider 25 – Foster Care
Redesign Report.

Recommendation

Staff recommends your approval and clearance to submit the required DFPS Rider 25 Foster Care Redesign Report to the Senate Committee on Finance, the House Committee on Appropriations, the Senate Committee on Health and Human Services, the House Committee on Human Services, the Legislative Budget Board (LBB), and the Governor, as mandated by Rider 25, (page II-41) in Article II of the General Appropriations Act, 84th Texas Legislature.

Commissioner's Decision

Approve _____   Disapprove _____

Modify _____   Schedule Briefing _____

Comments/Acknowledgment _____

Attachments

cc: Trevor Woodruff, Deputy Commissioner

DFPS Rider 25 Report for Foster Care Redesign
February 2017

As required in Sections 25 (a) and (b) of Rider 25 (page II-41) in Article II of The General Appropriations Act, 84th Texas Legislature, the Texas Department of Family and Protective Services (DFPS) shall, on August 1 and February 1 of each year of the biennium, "Report selected performance measures identified by the Legislative Budget Board (LBB) that will allow for comparative analysis between the legacy foster care and redesigned foster care systems". Additionally DFPS shall, "Provide a report of the most recent data for the selected comparative performance measures, an analysis of the data that identifies trends and impact occurring in the redesigned foster care system, identification and analysis of factors negatively impacting any outcomes, recommendations to address problems identified from the data, and any other information necessary to determine the status of the redesigned foster care system". To meet these requirements DFPS is using a report format specified by the LBB which is now attached as a spreadsheet. This narrative discusses trends, impact, analyses of the factors that affect the outcomes, and recommendations to address problems that have been identified, if any.

Background

The goal of Foster Care Redesign (FCR) is to improve outcomes for children and families by creating sustainable placement resources that will meet the service needs of children and youth in foster care in their home communities, using the least restrictive placement settings.

The redesign changes the way DFPS procures, contracts, and pays for foster care services. Under FCR, a single contractor provides a full continuum of services to children and families within a designated geographic area. In Stage I, this Single Source Continuum Contractor (SSCC) is responsible for finding foster homes or other living arrangements for children in state care and providing them services to meet identified needs. In Stage II, the SSCC expands services to include planning, coordination, and delivery of services to the families of children and youth in paid foster care. The SSCC is competitively procured and the contract is performance-based with financial incentives and disincentives for permanency outcomes, and additional performance measures for child safety and well-being. Stage III activates incentive payments. The contract is "no eject, no reject" and the SSCC must take custody of children within four hours of referral.

DFPS fully executed a contract with Providence Services Corporation of Texas (PSC) to serve as the initial Single Source Continuum Contract (SSCC) for DFPS Region 2/9 on February 1, 2013. PSC did not accept its first referral to place a child until August 26, 2013. On August 1, 2014, PSC provided formal notice to the department of its intent to terminate services provided under the SSCC contract in Region 2/9. The department had been working with PSC to address performance concerns and therefore accepted the notice of termination. This report no longer contains performance data for PSC.

DFPS executed the second SSCC contract with ACH Child and Family Services (ACH) on January 1, 2014 for DFPS Region 3b. This SSCC catchment area includes Tarrant, Erath, Hood, Johnson, Palo Pinto, Parker, and Somervell counties in DFPS Region 3. The Region 3b SSCC under ACH Our Community Our Kids (OCOK) accepted its first referral for new and subsequent placements on September 1, 2014. On April 1, 2015, DFPS and the SSCC completed the transition of the legacy children in Region 3b. As of January 30, 2017, OCOK had 1,408 children in the SSCC continuum which represents 98 percent of the children/youth in paid foster care from 3b, and approximately 9 percent of the overall children and young adults in paid foster care in Texas.[i]

The 84th Legislature supported implementation of FCR into one additional catchment area over the fiscal years 2016-2017. The Legislature approved increases to some of the residential foster care rates which subsequently raised the blended foster care rate in catchment 3b. In addition, funds were appropriated to support fringe and benefits associated with the resource transfer, FCR Network Support Funding at $1,200 per child FTE, start-up funding for the new catchment area as well as approval to hire a performance and evaluation lead.

DFPS considers the following criteria in determining selection of catchment areas:
- Minimum of 500 new entries of children per year
- Proximity to existing catchment area
- Local community support
- Regional readiness and stability
- Placements in and out of catchment area
- Challenges with capacity
- Affordability

DFPS announced DFPS Region 2 (Abilene) as the next catchment area for implementation of FCR. A Request for Proposal was released on August 1, 2016, with proposals due October 3, 2016. DFPS anticipates a contract in February 2017. Information obtained through the on-going evaluation of FCR was used to inform further improvements to the procurement and will inform implementation processes in the next catchment area.

Using the Rider 25 Report to Evaluate Systems Change

The redesign model is evaluated by comparing performance outcomes for the state as a whole, performance data for non-redesign (legacy) catchments, and performance for individual SSCCs over time. To this end, the February 2017 Rider report includes the addition of a non-redesign (legacy) population in addition to the statewide population. The statewide population is the performance of the entire state with regard to SSCC and "SSCC-eligible" legacy placements. "SSCC eligible" placements are paid foster care placements that would be within the scope of an SSCC to provide. This data supports assessing statewide trends that may influence both redesign and non-redesign systems. The statewide non-redesign population combines data on children in "SSCC-eligible" placements in catchments that have not implemented FCR. This allows analysis of improvement over historical baselines for children in the legacy regions compared to children served under redesign. As new catchments are selected for

redesign, their performance data will be subtracted from this legacy population measure along with their historical baseline performance.

The performance of each SSCC is reported individually. The Region 3b legacy population shows the historical performance for the 3b catchment counties: Tarrant, Erath, Somervell, Hood, Palo Pinto, Johnson and Parker. In fiscal year 2015 the number of children in the 3b legacy population decreases as children transition to the 3b SSCC population. In fiscal year 2016, the 3b legacy population reflects only the remaining children in the legacy system in the catchment who will eventually exit care. As of January 30, 2017, there were 32 children from 3b who remained in the legacy system. This small number of children influences the numerator, denominator and resulting percentage as seen in Appendix B and cannot be compared to baseline numbers for all children historically served in these counties. The 3b SSCC population is both children who have transferred to the redesigned system and children newly entering care under redesign.

As FCR progresses through a staged statewide implementation, the data can be used to answer the following questions:

Evaluation Question	Data Comparison
1. Are there statewide trends affecting SSCC performance?	Compare state performance trends to SSCC catchment trends and to trends for legacy (non-Redesign) catchments. Similarities may point to statewide factors that could be influencing performance in Redesign catchments.
2. Is the redesigned system doing better than the legacy system?	Compare SSCC performance (currently only one SSCC in 3b) to the performance of the legacy non-redesign population. If the SSCC catchment areas are improving over their historic trends more than the legacy catchment areas are improving over theirs, the changes made to the foster care system under the DFPS redesign model are effective.
3. Is a particular SSCC improving performance over time?	Compare individual SSCC performance across fiscal years. The significant changes implemented in redesign may take time before demonstrating improvement as the SSCC works to build new services in the area.
4. Are some SSCCs performing better than others?	Compare SSCC performance one to another. If improvements to outcomes compared to historical performance are greater for a specific SSCC, the redesign strategy implemented by the SSCC may be more effective.

Outcome measurement requires time. Chapin Hall data and performance experts define "sufficient" time as a minimum of two years of full implementation with additional time required to collect data on those children and families' experience and outcomes from entry to exit. Full implementation means implementation of stage II with the SSCC serving the families of children in their care and having more control over permanency outcomes. Major systemic changes may not be observable until more catchment areas become a part of the redesigned system and advance to Stage II.

At 2 years into FCR implementation in Region 3b, DFPS has learned the following about the time required to assess outcomes:

1. The first year of implementation is a transition year that reflects more children with foster care experience in the legacy system. Subsequent years will include more children who have only been in foster care under the SSCC. The timing of the transition also means that children are served for shorter time periods in the first year meaning there is not much time to have an impact
2. The redesign produces a significant shift in placement practices that makes some outcomes difficult to compare to historical performance. Historical outcomes attributed to a region or catchment area do not necessarily reflect the performance of providers from the area, given DFPS ability to place children out of area if their needs cannot be met locally. Once FCR is implemented, the SSCC shifts to placing more children in area and is limited to existing capacity with the responsibility to begin to grow that capacity to better meet needs. It might be argued that the first year performance is the appropriate starting point from which to build, as opposed to historical baseline, for some measures.
3. Due to their interconnectedness, it may be unrealistic to expect all outcomes to trend in a positive direction initially. Providers should have a vision for how their interventions will affect the outcomes and in which order. Priority must also be given to what is in the best interest of the child. For example, stepping children down from more restrictive to less restrictive settings negatively impacts placement moves.

DFPS continues to refine performance measure methodologies to support the best measurement of outcomes. Future interoperability of systems will help improve data collection and reporting.

Evaluation of Foster Care Redesign

Evaluation of FCR is on-going to support Continuous Quality Improvement (CQI) and includes both process and outcome components. DFPS and the Public Provider Partnership (PPP) that serves as the guiding body for FCR defined the key elements to be evaluated. Process and evaluation findings help determine whether these elements are being implemented with fidelity to the model and are yielding the desired outcomes. DFPS uses findings to assist in assessing performance, trends, changes, and any problems and issues in the redesign catchment areas.

The process evaluation plan (found in the FCR Implementation Plan) includes an assessment of the development, implementation, and delivery of catchment area services including the SSCC infrastructure. Outcome evaluation includes measuring both contract performance and system change. In addition to the performance measures in this Rider report, DFPS continues to work with Chapin Hall of the University of Chicago to provide an independent data analysis of each SSCC's performance on paid care days which will become the basis for incentive payments in stage III.

Process Component

The initial process evaluation was conducted in the fall of 2014. Areas of focus that emerged for continuous quality improvements include payment, data, and information technology.

Area of Focus	Current Challenges	Identified Solutions
Payment	• Resources have transferred based on transfer of entire function (i.e. placement staff, foster/adopt, contracts staff) but does not account for staff specific transfer of function • SSCC has responsibility for some tasks for which no transfer of resources has occurred, this will especially be true in Stage II of Implementation • Addressing case mix changes, currently the increase in the proportion of children and youth needing high end services beyond anticipated growth • Appendix D-F shows the anticipated increase in expenditures in AY16 compared to AY15 with the advent into Stage II.	Short Term: • Mapping of roles and responsibilities • Focus groups (both in and outside of catchment area) • Define methodology for resource transfer based on actual task distribution • Temporary measure to address case mix changes Long Term: • Use results of time study both in and out of catchment areas • Cost Reports • Changes to foster care rate methodology and development of a risk sharing strategy
Data	• Reconciling numbers and data definitions across multiple systems • Disentangling SSCC performance from the performance of the legacy system during the time of transition • Point-in-time measures complicate CQI process • Lag in Data Entry • Accuracy of data entry	• Development of a data dictionary (defines key terms to the coding level) • Continued to refine "admissions" cohort (all children removed after implementation) versus legacy component (children in paid foster care prior to implementation.) • Address lag in entry through improved tracking, training and IT system changes • Recalibration of some performance measures to more accurately capture desired outcomes. • Data reconciliation processes
Information Technology Compatibility	• Federal SACWIS rules did not support interoperability of systems without human intervention • IMPACT entry requires SSCC manual data entry of information, which results in duplication of effort and time lag • Technology and process changes	• Federal SACWIS rule changes to support interoperability • Bi-monthly meetings to explore best manner to proceed with building interoperable systems • Internal work with Budget and IT completed in February 2017 to develop and test automated billing solution.

Area of Focus	Current Challenges	Identified Solutions
	needed to authorize and make timely payments to the SSCC for purchased services provided for families in Stage 2. Involves some changes to service codes to enable more flexibility under a performance-based contract.	New automation to go live in IMPACT once SSCC begins coordinating and providing services to family members. SSCC to produce reports on service utilization.

Outcome Component

OCOK began offering SSCC services in the 3b catchment area in September 2014. Some of the key responsibilities of the SSCC include:

- Taking physical custody of children within four hours of referral
- Placing children within Region 3b to the greatest extent possible
- No eject/no reject of all referrals received

The primary goal of FCR in Stage I is to build residential child care capacity to meet local needs. Although sufficient outcome data is not expected until an SSCC has been fully operable for at least two years, systems-level results may be seen earlier.

As described in the FCR logic model, results that would indicate that FCR is working in Stage I include:

- Increased foster care capacity in catchment area
- Appropriate services provided in locations needed
- Creative/innovative service provision and/or expansion in type and number of available services
- Improvement in quality of care
- No children supervised temporarily by CPS in offices due to lack of placement.

OCOK has implemented the following system improvements:

System Improvement	Description
Increased placement capacity	- OCOK continues to develop targeted capacity to fill gaps in local capacity. For example, rural recruitment efforts have yielded 33 foster homes in Palo Pinto County, compared with 3 homes when Redesign rolled out in late 2014.[ii] - OCOK has also made a concerted effort to develop therapeutic foster care so high-needs children can be cared for in a family setting rather than an institution. Today OCOK has a total of 127 foster families providing therapeutic-level care.[iii] - No children are supervised by CPS staff overnight
Implemented the Every Child A Priority (ECAP) placement matching system	- OCOK uses decision-support software to ensure a child's first placement is the best placement. ECAP ranks potential placements for a child according to a research-based algorithm that is designed to support placing children closer to home and with their siblings.

System Improvement	Description
Activated disruption mitigation system to help proactively preserve placements	• Best practice Disruption Mitigation Guidelines were developed by the OCOK Network Clinical Committee in consultation with a number of providers who have systems to reduce the number of disruptions occurring in their families. OCOK providers are required to have a formal system in their policies that contain the elements of these guidelines and are required to demonstrate that they are implementing practices consistent with their policies.
Implemented network information exchange	• The Provider Information Exchange (PIX), developed by Five Points, Inc. combines different data sources in one seamless process that uniquely identify resources and children in care, integrated with state systems.
Interoperability	• OCOK and DFPS have made significant strides in achieving interoperable data systems, allowing data from IMPACT and SSCC systems to transfer without requiring duplicate data entry. In recent months, new technical processes have been established allowing the SSCC the capability to upload data to support operations for Stage II of the SSCC contract (i.e., paid family service data). This is a meaningful milestone because it represents the first time a SACWIS state has supported the ability for a private entity to upload data.
Implemented the Quality Parenting Initiative	• The Quality Parenting Initiative (QPI) is one of the OCOK approaches to strengthening the quality of care provided to children and youth living in foster care. The goal of QPI is to develop a systematic approach to recruiting and retraining high-quality caregivers in our community. This initiative has proven to be effective in improving the quality of care for children in foster care by redefining the expectations and roles of caregivers and child welfare system in excellent parenting.
Implemented the Child and Adolescent Needs Survey (CANS)	• OCOK uses the CANS assessment to gather standardized clinical information on children to inform service plans, support placement decisions, and is beginning to track clinical progress. The CANS is administered for every child over age 5 entering care and every 90 days for children in treatment settings. The test is administered by a trained person who knows the child and is the responsibility of the placing agency to administer. • Initial analysis performed by OCOK on a sample of 164 children showed that most children, even those with high levels of trauma, showed clinical improvement over time.[iv]
Completed comprehensive safety audits in 100% of the OCOK network child placing agencies	• OCOK implemented comprehensive risk management audits within its provider network, utilizing Praesidium's 'Know Your Score' framework. Child-placing agencies in the ACH Child and Family Services/Our Community Our Kids (OCOK) network have now undergone two rounds of annual comprehensive safety audits. Safety practices were enhanced in all measured domains, including policies, staff screening and selection, training, monitoring and supervision, and administrative practices. • OCOK recently conducted an anonymous survey of its provider

System Improvement	Description
	network to measure their perceptions of what has changed since Redesign. The biggest difference reported by providers was in safety practices; there was broad consensus among front-line staff, managers, administrators, and senior agency leadership that safety had improved under Redesign.[v]

Resulting positive outcomes for fiscal year 2016 and first quarter 2017 include:

Outcome	Description
Child safety	• 99.95% of placements in fiscal year 2016, and 99.8% of placements for quarter one fiscal year 2017 provided safety for children.
Increased placement in least restrictive family foster home settings	• 79.2% of children were placed in family foster homes in fiscal year 2016 . DFPS modified placement in foster group homes in December 2015 in response to court order which influenced more placements in family foster home settings statewide. • As part of a focused effort, OCOK has been successful at stepping down 39 youth from RTCs into therapeutic foster care (39 successful out of 57, representing a 68% success rate).[vi]
Improved placement proximity	• Proximity is measured by the number of placements within 50 miles of home of removal on the last day of a performance period. OCOK achieved proximity for 73.3% of new admissions in fiscal year 2016 and 70.6% for all children served by the SSCC.[vii] OCOK is exceeding historical performance in region 3b on this measure. Conversely, the state as a whole and non-redesign catchments are placing fewer children within 50 miles since 2014.
Improved placement stability	• The measure produced in this Rider reports for of all children in SSCC or "SSCC-eligible" paid foster care placements at any point during the fiscal year, how many experienced 2 or fewer placements during the fiscal year. In this way, the measure aggregates children already in care and children newly entering care. Only placement changes during the current fiscal year impact performance. The "Statewide", "Statewide Non-Redesign" and 3b SSCC all demonstrated a decline between fiscal year 2014 and fiscal year 2016. • DFPS and OCOK are exploring the impact of other positive changes in negatively influencing this measure. For example, OCOK's focused efforts to step children down from restrictive settings such as residential treatment centers and to reunite siblings involve moving children. Although such placement changes are in the interests of children, any move contributes negatively to the placement stability outcome for which OCOK is held accountable.
Siblings placed together	• OCOK has devoted a significant amount of time and resources on keeping siblings together or reuniting them if they have been separated. This outcome has been the most difficult to achieve in the transition to a local placement network focused on serving children in their home communities as compared to a statewide system that has

Outcome	Description
	- more placement options available to them. In addition, the number of sibling groups needing care has increased. - While OCOK has struggled to perform on this measure compared to historical performance, their efforts are now yielding results. The measure has improved in fiscal year 2016 and the first quarter of 2017 whereas the rest of the state is seeing a decline. Some of the innovative strategies put in place include: - A placement procedure change that supports reserving homes with multiple openings for sibling sets (rather than filling such beds with single children). - Real-time monitoring of sibling group placements by management software - Monthly staffings to determine the clinical appropriateness of reuniting the siblings and action steps toward that goal - Provider training grounded in national research on the "Importance of Siblings being Placed Together in Foster Care." The training also facilitated discussion of barriers to recruitment and retention of foster homes that can take larger siblings groups.
Youth are prepared for successful adulthood	- OCOK is showing both improvement over historical performance and greater improvement between fiscal years 2015 and 2016 than the "Statewide" and "Statewide Non-redesign" populations on the percent of 17-year-old youth completing PAL Life Skills Training. - OCOK has also seen success in increasing the number of youth age 16 and older who have driver's licenses or state identification cards. During the first quarter of fiscal year 2017, 68% of youth compared with 23%-45% observed previously. Similarly, the number of youth age 16 and older who have a regular job has increased to 53% compared with 20-30% previously. These large improvements are the result of OCOK's quality and contract staff emphasizing the importance of youth achieving these goals during regular monitoring visits with providers.

This data set represents the first two years of performance under a redesigned model. Observed trends show how the redesigned system, as experienced in 3b, impacts performance both positively and negatively offering lessons learned for future sites. Placing more children safely close to home was the primary focus of Stage I and one where immediate improvement can be seen. Once greater capacity is secured, more steps can be taken to assure the right kinds of placements such as placements for large sibling groups and to meet therapeutic needs. A compounding challenge in 3b has been a population increase beyond what was expected at the start of the contract. OCOK served more sibling groups and older children and adjusted network capacity to meet these needs. Progress must be assessed over the course of the contract and in comparison to simultaneous statewide trends as well as in comparison to historic baseline.

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[i] DFPS Legacy Children 2-9-3b Weekly Data Report; Agency Data Warehouse - Substitute Care Data Mart, Report Number: fps_sa_19s, as of January 30, 2017.

[ii] Data provided by Our Community Our Kids, 2/1/17

[iii] Data provided by Our Community Our Kids, 2/1/17

[iv] Progress Report: Foster Care Redesign In Texas Region 3B, July 2016

[v] Results self-reported reported by OCOK 2/2/1/7

[vi] Data provided by Our Community Our Kids, 2/1/17

[vii] DFPS Management Reporting and Statistics Quarter 1 Performance Measure Data. DFPS provides a separate measure that isolates "new admissions."