

Protocol for Requesting Risk Pool Funding

State Fiscal Year 2019-2020

This Protocol for Requesting Risk Pool Funding for state fiscal year 2019-2020 outlines the process by which Community-Based Care Lead Agencies may apply for potential funding from the Risk Pool appropriation provided in the General Appropriations Act.

The establishment of a statewide risk pool program, administered by the Department, serves to manage and share the financial risks associated with the Community-Based Care (CBC) model for child welfare services in Florida. Should factors outside of a Lead Agency's control (e.g., shifts in the number of children in care, increase in the number of very difficult populations, or a change in the characteristics of the children and families served) cause costs to rise, potentially impeding the Lead Agency's ability to provide ongoing quality services for all children and families served, section 409.990(7), F.S., (Exhibit A) provides qualified Lead Agencies with access to petition for relief from the risk pool in an effort to avoid lead agency failure.

Section 1: Eligibility criteria

Proviso language contained in Specific Appropriation 326 of the General Appropriations Act for state fiscal year 2019-2020 requires the Department to conduct a comprehensive, multi-year review of the revenues, expenditures, and financial position of all CBCs for the most recent two consecutive fiscal years (SFY 2017-2018 and 2018-2019).

To simplify the risk pool process and minimize duplication in requests for data and information, the risk pool protocol will rely significantly on the extensive data used to develop financial viability plans and to support the ongoing monitoring of all CBCs for financial stability and programmatic performance.

A CBC is eligible to apply for risk pool funds in state fiscal year 2019-2020 if they meet the following criteria:

- The CBC projects an end of fiscal year deficit, inclusive of any carry forward deficit.
- The CBC will submit a SFY 2019-2020 Plan to Achieve Financial Viability to the Department's Office of CBC/ME Financial Accountability.
- The CBC has implemented its SFY 2018-2019 Financial Viability Plan with a high degree of fidelity.

Section 2: Application submission process

In addition to the CBC's Financial Viability Plan, a CBC seeking risk pool funds must submit to the Department by **September 13, 2019**, the "Risk Pool Funding Application SFY 2019-2020."

Applications will be reviewed and prioritized in two phases. Phase I is intended for CBCs that are projecting a current year core deficit in excess of their expected available funds. Phase II, subject to funding availability, may provide an additional opportunity in Q3 to make a case to be considered for risk pool funding.

Applications will be reviewed with all available cost/expenditure data and all other supporting documentation, including the CBC's Financial Viability Plan. Department personnel, upon request, may review additional records related to this Application for potential funding resolutions.

- 1.1 The CBC should consult with their Regional Managing Director (RMD) regarding their Risk Pool Funding Application and forward their application to the Office of CBC/ME Financial Accountability (OFA), and cc: their contract manager and RMD. **This step shall be accomplished no later than September 13, 2019.**
- 1.2 If the CBC and RMD cannot reach agreement on their application, they may call Patricia Medlock, Assistant Secretary for Child Welfare.
- 1.3 The review of all Risk Pool Funding Applications will be governed by a peer review process led by the Assistant Secretary for Child Welfare and subject to the approval of the Secretary of the Department of Children and Families. The Peer Review Committee will be selected and facilitated by the Assistant Secretary for Child Welfare and will include, but not be limited to, the following members (or their designees):
 - (a) Two (2) Executive Directors (ED) or Chief Executive Officers (CEO) from non-applicant Lead Agencies; and
 - (b) One (1) Chief Financial Officer from a non-applicant Lead Agency.
- 1.4 The Peer Review Committee will:
 - (a) Review, analyze, and discuss the application.
 - (b) Verify the accuracy of the data being reported by the Lead Agency.
 - (c) Conduct an on-site, fact-finding visit as deemed necessary to confirm input and analysis from the applying Lead Agency (visits to sites are not required if visited in the last 24 months - final determination to be made by the Secretary and Deputy Secretary).
 - (d) Assess need for immediate technical assistance regarding budget development/management, and determine if continued on-site technical assistance is appropriate. In these cases, the Peer Review Committee will serve as the coordinating entity for the provision of technical assistance.

- (e) Make a final recommendation to the Secretary upon the completion of all required site visits, regarding approval or disapproval of the application. Recommendations for approval will include:
- i. Amount of funding and mix of funds to be made available.
 - ii. Limitations or requirements on use of additional funding that are linked to correction of factors that caused the shortfall.
 - iii. Any follow-up actions or additional documentation needed from the Lead Agency or Region.
 - iv. Rating for both Family Support Services and Safety Management Services.
 - v. Report on technical assistance activities completed and remaining, and/or recommendations for future technical assistance.
 - vi. Access to the risk pool.

1.5 If at the end of the year, a Lead Agency that received assistance from the Risk Pool concludes with a surplus, the Department reserves the right to require the Lead Agency to refund the Department the relative portion of the surplus that was accumulated as a result of the awarded risk pool funds.

Risk Pool Funding Application SFY 2019-2020

Please complete all items, sign and date the application, consult with your Regional Managing Director, and submit electronically to the Office of CBC/ME Financial Accountability (OFA).

Lead Agency Name: Big Bend Community Based Care

Region: Northwest

Contract No.: BJ101

Address: 525 N. Martin Luther King Jr. Blvd., Tallahassee, FL 32312

Lead Agency Contact: Lori Gulledge

Phone No.: 850-410-1020

Contract Manager: Chris Meadows

Phone No.: 850-410-1020

This request is being submitted in response to a projected deficit at 6/30/2020 inclusive of all currently available funding.

Financials:

- 1) State the amount of funding requested from Risk Pool funds and the amount of the projected deficit at the end of Fiscal Year 2019-2020:
Projected Deficit: \$1,200,000.00
Amount of Risk Pool Funds Requested: \$1,500,000.00
- 2) Confirm that the amount of funding requested would be fully expended during Fiscal Year 2019-2020: Yes No
- 3) State specifically how the Lead Agency would qualify for Risk Pool funds based upon the requirements in s. 409.990(7), F.S. (Appendix A):
Section 409.990(7)(c)1., Florida Statutes - Significant changes in the number or composition of clients eligible to receive services. Big Bend Community Based Care has been affected on multiple fronts regarding and increase in numbers of clients, the composition of clients, and high turnover rates in case management organizations.
- 4) How do you propose to use these funds to address or correct the underlying cause of the shortfall?
These funds would be utilized to compensate for the salaries of the case management unit BBCBC brought in-house. Additionally, these funds will be utilized to address the increase in out-of-home care in Circuits 2 & 14.

- 5) Please attach a narrative explaining how the deficit occurred, what steps have been taken to address the cause(s), and how the Lead Agency will work within its allocated core funding in the future. The narrative should not exceed five pages.

**Please see the narrative for responses/answers to the Fiscal Year 2018-2019 Risk Pool Report*

Lead Agency Name: Big Bend Community Based Care

Region: Northwest

Contract No.: BJ101

Lead Agency CEO/ED Name: Mike Watkins

Please confirm the following:

The Lead Agency will submit a SFY 2019-2020 Financial Viability Plan.

Yes No

The Lead Agency has actively worked its SFY 2018-2019 Financial Viability Plan.

Yes No

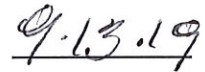
Did the Lead Agency receive Risk Pool funding in SFY 2018-2019?

Yes No

If Yes, please attach a status update on the recommendations made by the Risk Pool Committee.



Lead Agency CEO/ED Signature



Date

Exhibit A

Section 409.990(7), Florida Statutes:

(a) The department, in consultation with the Florida Coalition for Children, Inc., shall develop and implement a community-based care risk pool initiative to mitigate the financial risk to eligible lead agencies. This initiative must include:

1. A risk pool application and protocol developed by the department which outlines submission criteria, including, but not limited to, financial and program management, descriptive data requirements, and timeframes for submission of applications. Requests for funding from risk pool applicants must be based on relevant and verifiable service trends and changes that have occurred during the current fiscal year. The application must confirm that expenditure of approved risk pool funds by the lead agency will be completed within the current fiscal year.
2. A risk pool peer review committee, appointed by the secretary and consisting of department staff and representatives from at least three nonapplicant lead agencies, which reviews and assesses all risk pool applications. Upon completion of each application review, the peer review committee shall report its findings and recommendations to the secretary, providing, at a minimum, the following information:
 - a. Justification for the specific funding amount required by the risk pool applicant based on the current year's service trend data, including validation that the applicant's financial need was caused by circumstances beyond the control of the lead agency management;
 - b. Verification that the proposed use of risk pool funds meets at least one of the purposes specified in paragraph (c); and
 - c. Evidence of technical assistance provided in an effort to avoid the need to access the risk pool and recommendations for technical assistance to the lead agency to ensure that risk pool funds are expended effectively and that the agency's need for future risk pool funding is diminished.

(b) Upon approval by the secretary of a risk pool application, the department may request funds from the risk pool in accordance with s. 216.181(6)(a).

(c) The purposes for which the community-based care risk pool shall be used include:

1. Significant changes in the number or composition of clients eligible to receive services.
2. Significant changes in the services that are eligible for reimbursement.
3. Continuity of care in the event of failure, discontinuance of service, or financial misconduct by a lead agency.
4. Significant changes in the mix of available funds.

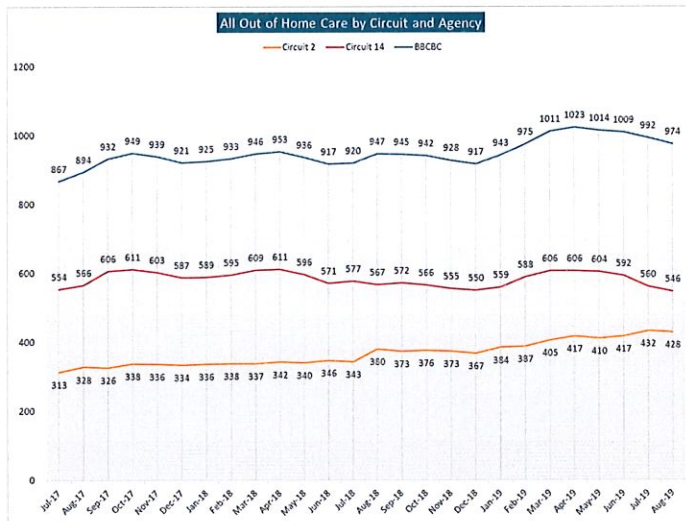
(d) The department may also request in its annual legislative budget request, and the Governor may recommend, that the funding necessary to effect paragraph (c) be appropriated to the department. In addition, the department may request the allocation of funds from the community-based care risk pool in accordance with s. 216.181(6)(a). Funds from the pool may be used to match available federal dollars.

1. Such funds shall constitute partial security for contract performance by lead agencies and shall be used to offset the need for a performance bond.
2. The department may separately require a bond to mitigate the financial consequences of potential acts of malfeasance or misfeasance or criminal violations by the service provider.

BIG BEND COMMUNITY BASED CARE – FISCAL YEAR 2019-2020 RISK POOL APPLICATION

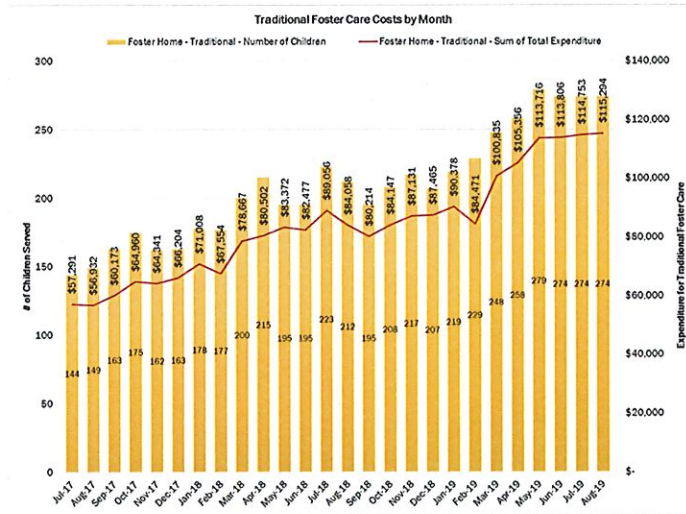
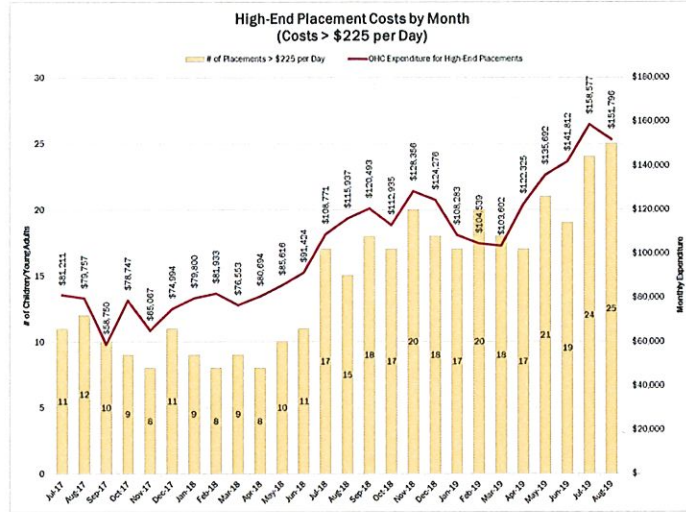
Big Bend Community Based Care (BBCBC) is seeking risk pool funding for the 2019-2020 Fiscal Year. Northwest Florida and BBCBC have faced a “perfect storm” which has created new challenges and exacerbated existing challenges beginning during the 2018-2019 Fiscal Year. There were three major factors which have contributed to the tenuous financial condition BBCBC currently finds itself in. First, BBCBC has had a steady increase in the number of children entering Out-of-Home Care in Circuits 2 & 14. Second, BBCBC’s case management subproviders have battled extremely high turnover within their organizations. Finally, Northwest Florida experienced one of the worst storms to hit the panhandle in recent memory, Hurricane Michael, a category five (5) hurricane.

The number of children in Out-of-Home Care has been a problem confronting BBCBC for a couple of years. Circuit 14 has seen an increase of approximately 115 children between July 2017 and June 2019. Additionally, Circuit 2 has seen an increase of approximately 62 children over the same time span. BBCBC has also seen a rise in the high cost (greater than \$225 per day) out-of-home children. The number of High Cost Placements (\$225 per day and above) has increased over the last 24 months. In August of 2017 there were only 12 children in High Cost Placements. There has been an increase in the number of children with extreme mental health or behavioral problems. We have also seen increase in the number of victims of Human Trafficking who require residential programs. The youth require High Cost Placements need an array of services, including therapeutic, educational and medical services. The programs which provide these services must be evidence based, trauma focused, and provide ongoing comprehensive assessments. All of these services are time limited, but they come with a higher cost.



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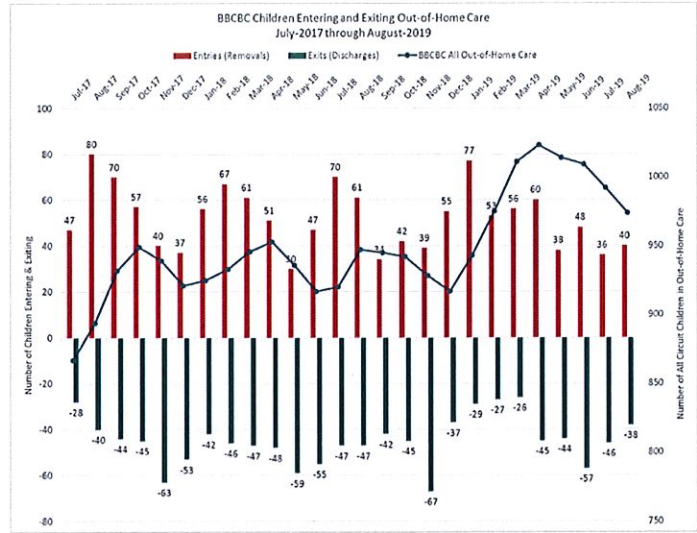
BIG BEND COMMUNITY BASED CARE – FISCAL YEAR 2019-2020 RISK POOL APPLICATION



To compound this challenge, children were exiting out-of-home care to permanent homes within twelve (12) months at a very low rate in comparison to performance target and state average. Similarly to Circuit 14, Circuit 2 has also had a low percentage of children exit out-of-home care to permanent homes within twelve (12) months. The obvious challenge here, which dovetails with the increase in out-of-home care numbers, is BBCBC is having more children come in to care than are leaving care. This slowdown in exits and increased in entries is overwhelming the system.

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BIG BEND COMMUNITY BASED CARE – FISCAL YEAR 2019-2020 RISK POOL APPLICATION



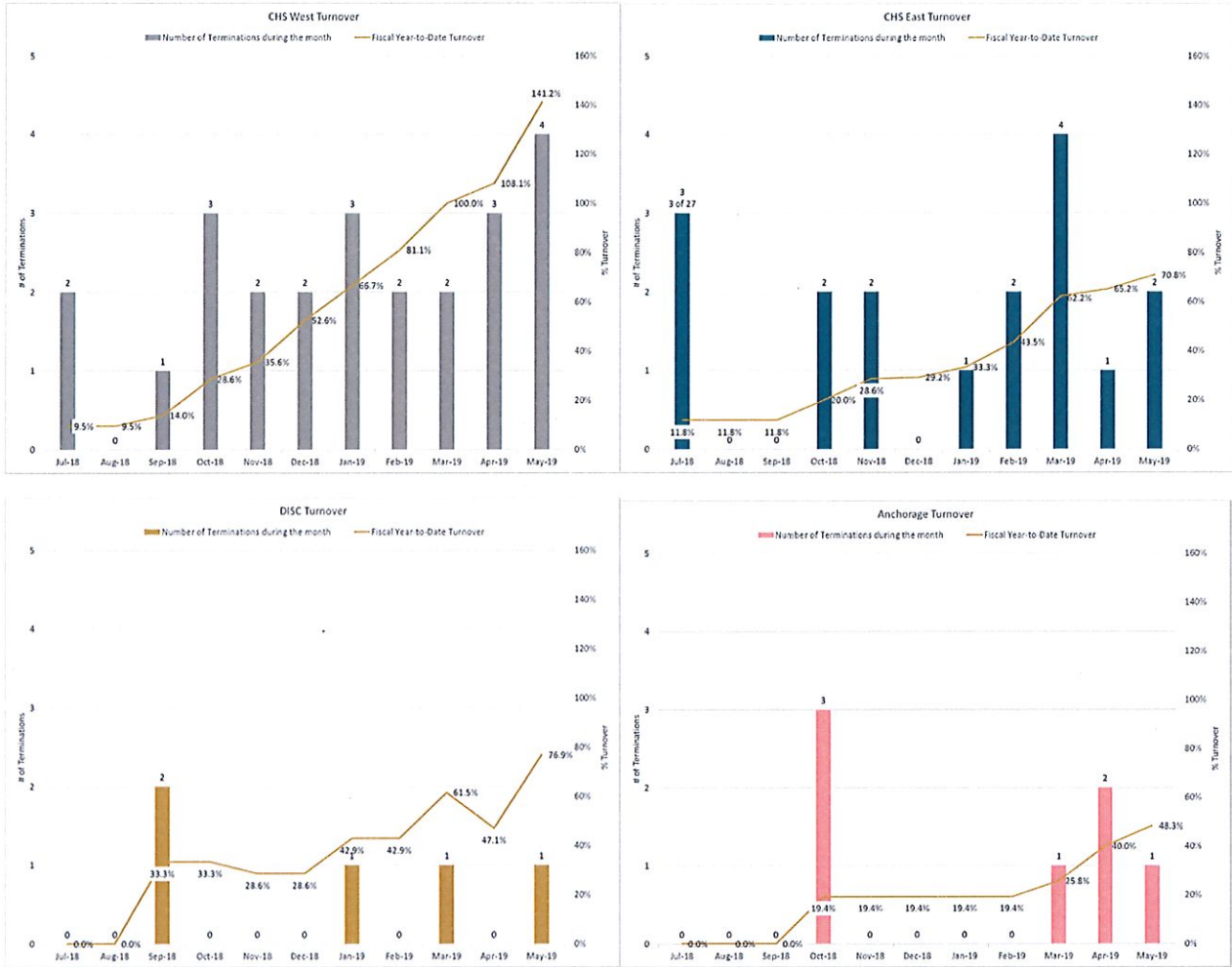
On October 10, 2018, the landscape of the Florida Panhandle, especially Panama City, was forever changed. BBCBC and its subproviders were already having challenges in the Panama City (Circuit 14) area prior to the storm however these were exacerbated by this historic storm. Hurricane Michael damaged a large number of homes and apartments in the area which has since made housing for employees an issue. Panama City and the surrounding areas have a high percentage of individuals who rent for their primary residence, which has heightened the challenges of housing and finding potential employees. This aspect was severely hampering our subprovider’s ability to recruit and retain qualified staff to perform case management duties. Additionally, Hurricane Michael severely affected the ability to recruit and retain foster homes in Circuit 14 which further put a strain on the out-of-home care arena.

Hurricane Michael also destroyed and/or damaged many of BBCBC’s service centers in the Florida Panhandle. BBCBC’s Panama City location at Harrison Avenue was completely destroyed as was its Independence Village housing facility. Additionally, its Marianna, Chipley, and Quincy service centers sustained damage due to the storm. BBCBC worked to find a temporary location in Panama City Beach to ensure service needs were met. BBCBC is continuing to work with the Federal Emergency Management Agency (FEMA) to repair its damaged sites.

BBCBC’s subproviders have challenges recruiting and retaining talent for case management positions in both Circuit 2 and Circuit 14. This challenge has heightened the issues with both the out-of-home care increase in numbers and the number of exits from care. All of BBCBC’s subproviders have experienced high turnover, with none of them having less than a 40% year to date turnover rate. This has led to a strain on the system and has hampered efforts to improve metrics and reduce the number of children in out-of-home care. Numerous tactics were employed to try to stymie the high turnover rates from increased salaries, to sign-on bonuses and housing allowances.

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BIG BEND COMMUNITY BASED CARE – FISCAL YEAR 2019-2020 RISK POOL APPLICATION



Throughout this challenging time BBCBC working with its subproviders has worked to right the ship and strategize and implement tactics and systems to correct the deficits in both Circuits 2 and 14. BBCBC has worked to reorganize itself to create efficiencies and streamline work processes and products. Additionally, after much consideration BBCBC terminated the contract with Children’s Home Society for case management services in Bay County, Florida and has brought it in-house under the supervision of Janice Thomas. For the first time in recent history every case management and support staff position is filled. Twin Oaks Juvenile Development has also been brought on to manage one team of case managers. BBCBC is hoping this leads to a long term partnership with Twin Oaks in the case management realm.

While these challenges are large, BBCBC sees light at the end of the tunnel. The confluence of the three events/challenges listed above has caused BBCBC to realize a deficit and necessitate the need to apply for risk pool funding from the State of Florida and Department of Children and Families. We respectfully request \$1,200,000 of the allotted risk pool funding for fiscal year 2019-2020.

CBC
 Working Budget Summary - detail
 FYE June 30, 2020
 Board Financials - Risk Pool Application

	BUDGET				Variance	
	Annual	Q1	Q2	Q3		Q4
BBCBC - Operations	9,681,605	2,174,651	2,506,260	2,513,547	2,487,147	9,681,605
NWF Ops Shared	967,881	197,825	256,685	256,685	256,685	967,881
Non-Core Contracts	450,867	171,504	115,024	80,086	84,253	450,867
Flexible Spending	824,593	171,790	206,148	206,148	240,506	824,593
Subcontracted Providers	10,178,339	2,544,585	2,544,585	2,544,585	2,544,585	10,178,339
IL Stipends	645,314	150,826	155,654	164,371	174,465	645,314
EFC XS	50,400	12,600	12,600	12,600	12,600	50,400
Adoption Subsidies	9,883,980	2,470,995	2,470,995	2,470,995	2,470,995	9,883,980
Clothing	85,000	78,864	2,045	2,045	2,045	85,000
Board	7,290,078	1,837,499	1,837,499	1,797,554	1,817,526	7,290,078
Mgmt Indirect	961,393	235,467	242,580	241,167	242,179	961,393
Grand Total	41,019,451	10,046,606	10,350,076	10,289,783	10,332,987	41,019,451

Net Budget Less MAS	31,135,471						Net C14 Bay Cty
SOF 7-1-2019 Amend #41	38,660,324						GAP FTE
Less MAS	(9,883,980)						FHM FTE
Prior Yr Roll Forward	49,199						Salary Parity
I FY18/19 XS Medicaid Admin	164,739						Transportation FTE
Estimated FY18/19 XS Training	386,852						Lapse
Estimated FY18/19 Roll Forward	537,476						Gulf Cty CM
Net Revenue	29,914,609						IT/Compliance
							HR/Payroll/Accounting
Estimated Risk Pool Funding	1,220,862						

FYE 6/30/19	Actuals	+(-)	GAP FTE's	FHM FTE's	C14 CM
	6,217,535	3,464,070	360,068	79,200	2,934,771
	745,282	222,599	IT/Compliance FTE's		
	612,140	(161,273)	see Non-Core tab		
	905,462	(80,869)	see Flex tab		
	11,298,504	(1,120,165)	see SubK tab		
	687,764	(42,449)			
	119,823	(69,423)			
	69,240	15,760			
	7,369,743	(79,664)			
	772,861	188,533	HR/Payroll/Accounting FTE's		
	28,798,353	2,337,118			

CBC
 Working Budget Summary - detail
 FYE June 30, 2020
 Board Financials - Risk Pool Application

	BUDGET				Variance	FYE 6/30/19 Actuals	+(-)	Net	Term CHS- W 8/1/19	Twin Oaks In-House Bay	Salary Parity	Transportati on FTE	Lapse Change	Gulf Cty Disc
	Annual	Q1	Q2	Q3										
Case Management	6,046,669	1,511,667	1,511,667	1,511,667	1,511,667	6,046,669	7,075,432	(1,028,763)	91,959					
Foster Home Management	581,368	145,342	145,342	145,342	145,342	581,368	567,471	13,897	13,897					
IL	428,938	107,235	107,235	107,235	107,235	428,938	576,906	(147,968)	(58,319)					
Adoption	1,099,936	274,984	274,984	274,984	274,984	1,099,936	1,078,032	21,905	(48,879)					
Intervention	1,352,347	338,087	338,087	338,087	338,087	1,352,347	1,376,794	(24,447)	(49,723)					
Safety Support Services	265,183	66,296	66,296	66,296	66,296	265,183	262,499	2,683	2,683					
Visitation	403,898	100,974	100,974	100,974	100,974	403,898	361,370	42,528	42,528					
TOTAL	10,178,339	2,544,585	2,544,585	2,544,585	2,544,585	10,178,339	11,298,504	(1,120,165)	(5,854)					

CBC
 Working Budget Summary - detail
 FYE June 30, 2020
 Board Financials - Risk Pool Application

	BUDGET				Variance	FYE 6/30/19	
	Annual	Q1	Q2	Q3		Actuals	+(-)
BoysTown Common Sense Parenting	12,672	3,168	3,168	3,168	12,672	12,672	-
Bruce Berger Green Belt	-	-	-	-	-	-	-
Mediation - Carol Dunaway	35,000	35,000	-	-	35,000	28,481	6,519
Foster Parent Mentor Stipend - C14 add C2	12,000	3,000	3,000	3,000	12,000	5,850	6,150
Adoption Home Studies	-	-	-	-	-	500	(500)
Live Scans/Background screenings	100,000	20,833	25,000	25,000	100,000	87,023	12,977
QPI - Youth Law	10,417	2,604	2,604	2,604	10,417	10,417	-
Office Public Defender 12/31/19	32,868	16,434	16,434	-	32,868	65,736	(32,868)
Capital Alliance - 9/30/19	17,400	17,400	-	-	17,400	69,600	(52,200)
Vancore Jones - 12/31/19	53,500	26,750	26,750	-	53,500	102,960	(49,460)
Healthy Families	177,010	46,314	38,068	46,314	177,010	177,011	(1)
TOTAL	450,867	171,504	115,024	80,086	450,867	349,571	(109,384)

CBC

Working Budget Summary - detail

FYE June 30, 2020

Board Financials - Risk Pool Application

	BUDGET				Variance	FYE 6/30/19 Actuals	+(-)
	Annual	Q1	Q2	Q3			
Foster Parent Travel	84,000	17,500	21,000	21,000	84,000	89,266	(5,266)
Process Service	85,000	17,708	21,250	21,250	85,000	87,844	(2,844)
UA's	98,354	20,490	24,589	24,589	98,354	172,472	(74,118)
CPP	65,569	13,660	16,392	16,392	65,569	54,722	10,847
PBHA					-	7,486	(7,486)
Provider POS	491,670	102,431	122,918	122,918	491,670	493,672	(2,002)
TOTAL	824,593	171,790	206,148	206,148	824,593	905,462	(80,869)

2019-2020 Big Bend Community Based Care Financial Viability Plan

The Department of Children and Families has not released a template for the 2019-2020 Financial Viability Plan as the date of the submission for the Risk Pool Application.

The major projects/drivers that will be contained in Big Bend Community Based Care's 2019-2020 Financial Viability Plan are as follows:

1. Bringing Case Management in-house in Bay County
2. Contracting with Twin Oaks for one unit of Case Management in Bay County
3. Formal Group Home Staffing to identify children who could be moved from Group Care and identify solutions to accomplish move.
4. Review of children coming up to the 12 month permanency date and a review of all children who have exceeded the 12 months
5. Focus on increasing the available Foster beds in both Circuit 2 & 14

Once the Department releases the template this information will be merged with last year's Financial Viability Plan.