

# Protocol for Requesting Risk Pool Funding

State Fiscal Year 2017-18

*This Protocol for Requesting Risk Pool Funding for state fiscal year 2017-18 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 342 of the General Appropriations Act for state fiscal year 2017-2018 required 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 2015-16 and 2016-17).

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 2017-18 if they meet the following criteria:

- The CBC projects a **current year** deficit in excess of their available carry forward funds. (Note: Prior year deficits carried forward are excluded from the calculation of current year deficits.)
- The CBC has submitted a Plan to Achieve Financial Viability to the Department's Office of CBC/ME Financial Accountability.
- The CBC is implementing its Financial Viability Plan with a high degree of fidelity.

Priority consideration for risk pool funding will be given to any CBC whose percentage change in removals rank in the Tier One category, based on the 12-month moving average for removals from July 2014 to June 2017<sup>1</sup>. (See attached)

## **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 15, 2017**, the "Risk Pool Funding Application SFY 2017-18."

Applications will be reviewed and prioritized in two phases. Phase I is intended to meet acute needs, and will provide priority consideration for risk pool funding to any CBC whose percentage change in removals rank in the Tier One category, based on the 12-month moving average for removals from July 2014 to June 2017. Should an identified Tier One CBC not apply and/or be deemed ineligible to apply, the CBC with the next highest percent increase will move up to Tier One. Phase II, subject to funding availability, may afford non-Tier One CBCs an additional opportunity 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 forward the Risk Pool Funding Application to the Regional Managing Director and the Department CBC Contract Manager.
- 1.2 Completed applications should be forwarded electronically by the Regional Managing Director, on behalf of the Lead Agency, to the Deputy Secretary for the Department. This step shall be accomplished no later than September 19, 2017.
- 1.3 The review of all Risk Pool Funding Applications will be governed by a peer review process led by the Deputy Secretary 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 Deputy Secretary 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 nonapplicant Lead Agencies; and
  - (b) One (1) Chief Financial Officer from a nonapplicant Lead Agency.

---

<sup>1</sup> The 12-month moving average will be calculated by summing total removals between July 2014 and June 2015, and July 2016 and June 2017; and then dividing by 12 for each data point. The June 2015 average was used as the fixed point for calculating the percent change.

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 to confirm input from the applying Lead Agency (visits to Tier One sites are not required if visited in the last 24 months; visits to other Tier sites are not required if visited in the last 12 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 2017-18

*Please complete all items and submit electronically to the Regional Managing Director. Upon review and concurrence of the Risk Pool Funding Application, the Regional Managing Director will submit the application to the Deputy Secretary for the Department.*

Lead Agency Name: Eckerd Community Alternatives, Pinellas/Pasco

Region: Suncoast

Contract No.: QJ511

Address: 8550 Ulmerton Road, Suite 130, Largo FL 33771

Lead Agency Contact: Brian Bostick

Phone No.: 727.359.3646

Contract Manager: Shannon Johnson

Phone No.: 727.401.0675

-----  
This request is being submitted in response to an anticipated current year deficit in excess of available carry forward funds.

## Financials:

- 1) Confirm the dollar amount being requested: \$3.9M
- 2) Confirm that funds will be expended by the end of the current fiscal year:  Yes  No
- 3) How do you propose to use these funds to address or correct the underlying cause of the shortfall?

Underlying Cause: 14% net increase in removals during risk pool period encompassing June 2015 through June 2017. This is the 6th highest net gain in the State of Florida and has contributed significantly towards the growth of the system. This has resulted in the necessity of the lead agency to resource the system sufficiently to account for the continued growth. In FY 18, ECA- C6 added 30.5 additional case management related positions to ensure our youth could safely be served and the system was able to maintain a 1:17 case manager to child ratio. In addition, we had to fund an additional \$500K in diversion capacity in Pasco County, and over \$1M to supplement our Independent Living Program to ensure we are able to more effectively address the rate in which youth were being removed (diversion) and were able to deliver the wraparound support services needed to stabilize our youth served in the extended foster care program (IL).

The projected shortfall is stemming from increased expenditure of funds in the out-of-home care budget category that were not able to offset due to the need to invest additional funds in the system of care to include:

diversion capacity to prevent entry of youth in licensed out of home care; investment in services targeted at reducing the rate in which youth are placed in residential group care settings; additional investment in foster care recruitment and retention services intended to drive down OHC costs; and an increase in case management positions needed to safely exit youth towards permanency. ECA believes these interventions will help restore the system to a level of sustainability provided that we do not experience continued growth through removal and placement of new youth into the foster care system that is above and beyond the normal growth experienced by the rest of the State.

**Update:**

On November 6, 2017, (after the risk pool site visit occurred on November 1<sup>st</sup> and 2<sup>nd</sup>), Eckerd convened a workgroup that included participation from our provider network. During this meeting, there was a broader discussion regarding the need to invest additional funding into one time initiatives intended to further reduce the overcrowding of the child welfare system. Each of these initiatives are intended to support front line staff, identify family connections, and safely exit youth from care. The following is a breakdown of the additional funds requested which total: \$553,771.25.

Initiative	Non-Recurring Cost January-June 2018
<b>Safety Methodology Training</b> through ACTION for CPIs, Case Managers, OAG, Judiciary, and Guardian Ad Litem (specific focus on use of safety management services to reduce entry into foster care and understanding of how to leverage “Conditions of Return” as a means to safely exit youth from care.	\$10,200
<b>Family Finders Initiative (6 months)</b> - (1 Supervisor, 2 Family Finding Specialist, 1 Family Finding Search Specialist, and training cost. This team would target the safe exit of approximately 96 youth from paid placement within a 6 month timeframe. The intent is for the lead agency to absorb the cost of funding this initiative on an ongoing basis through FY 18-19.	\$126,977.72
<b>Increased Diversion Capacity (6 months)</b> - intended to prevent 100 youth from entering care within the 6 month timeframe (serving approximately 50 families)	\$227,500.00
<b>Credentialing of Service Providers -7 months</b> : intended to ensure consistency in rate structure; current credentials are in good standing; and the services are achieving the desired outcome in supporting permanency.	\$87,843.53


<p><b>Retention Bonuses-</b> despite adding additional capacity to the field, front line case workers are still burning out at high rates before new front line staff can exit training and offer relief. Retention bonuses will augment supports already being provided by the CMO providers to help stabilize the front line. Figures are based on 135 case managers receiving an average of \$250 per quarter for the remaining 3 quarters of the fiscal year. <b>**Note:</b> the average includes recognition of front line supervisors.</p>	<p>\$101,250,00</p>
<p><b>Total One Time Cost for added initiatives:</b></p>	<p>\$553,771.25</p>

Lead Agency Name: Eckerd Community Alternatives, Pinellas/Pasco

Region: Suncoast

Contract No.: QJ511

Lead Agency CEO/ED Name: Brian Bostick

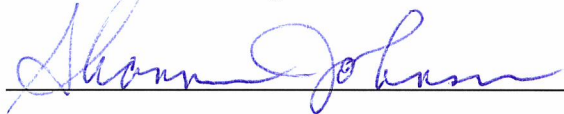


11-14-17

Lead Agency CEO/ED Signature

Date

CBC Contract Manager Name: Shannon Johnson



11-14-17

CBC Contract Manager Signature

Date

Regional Managing Director Name: Jennifer Kuhn

**Please confirm the following:**

The Lead Agency submitted a Financial Viability Plan.  Yes  No

The Lead Agency is actively working its Financial Viability Plan.  Yes  No

Please check the applicable box to indicate your level of support of this application:

Concur

\*Do Not Concur

\_\_\_\_\_  
Regional Managing Director Signature

\_\_\_\_\_  
Date

**\*Rationale:**

***(This item must be completed if "Do Not Concur" is checked.)***

Click here to enter text.

# 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.