

## **Risk Pool Peer Review Committee Summary Report**

**Fiscal Year 2018-2019**

**Round 2 – April 2019**

### **Executive Summary:**

The department established a Risk Pool Peer Review Committee pursuant to section 409.990(7), Florida Statutes, for state fiscal year (FY) 2018-2019, the Risk Pool application process was informed by lessons learned from the prior year reviews as well as the availability of extensive additional information from reports developed pursuant to proviso language included in the General Appropriations Act (Specific Appropriation 322) for FY 2017-2018. In compliance with this proviso language, the department completed a comprehensive, multi-year review of the revenues, expenditures and financial position of all Community-Based Care Lead Agencies (CBCs) including a comprehensive system of care analysis. This submission also included a financial viability plan from all lead agencies.

The Risk Pool Protocol provided for priority consideration for any CBC with increased removals based on a 12-month moving average from May 2016 to May 2018. This criterion was based on the experience from prior year reviews that found that significant increases in removals were a key indicator of financial vulnerability for a lead agency. Tier one for priority consideration was lead agencies with an increase in removals of 10 percent or more.

Risk pool applicants who were not funded or who were given a partial distribution in the initial phase were contacted to see if they were interested in being reconsidered for Round 2. Four CBCs responded in the affirmative and provided revised projections and additional information to support the anticipated need for risk pool funds. Those CBCs were: Families First Network (FFN), Community Partnership for Children (CPC), Eckerd Community Alternatives – Pasco/Pinellas (ECA-P/P), and Children's Network of Southwest Florida (CNSWFL).

The Risk Pool Peer Review Committee conducted a secondary review on March 8, 2019 with relevant information available from multiple sources to make recommendations. The documents reviewed are below:

- Updated Risk Pool Funding Application
- Financial Viability Plan (FY 2017-2018 and FY 2018-2019)
- Budget Projections provided by the CBC
- CBC Financial Viability Integrated Data Report
- [The Child Welfare Dashboard](#)
- [CBC Contract Monitoring Reports](#)
- [Previous Risk Pool Reports](#)
- CBC Contract Monitoring Survey Data
- CBC Contract Monitoring Data Packets
- [The Child Welfare Key Indicators Monthly Report](#)
- Florida Safe Families Network (FSFN) Aggregate Payment Data
- Status Update on CBC Contract Oversight Unit (COU) monitoring
- Status Update on Prior Risk Pool Recommendations (if any)

As a part of the review, the team made a determination if there was sufficient information available from previous on-site visits, current data, and monitoring reports to make a recommendation. Additional information was requested and follow up provided by the CBC which allowed the team to make a recommendation without an additional on-site visit for any applicant.

The Risk Pool Peer Review Committee consisted of:

- Lee Kaywork, Team Leader
- Teri Saunders, CEO Heartland for Children
- Naomi Jackson, CFO, Family Support Services of North Florida
- Catherine Macina, CFO, Community Based Care of Central Florida
- JoShonda Guerrier, Assistant Secretary for Child Welfare
- Barney Ray, Office of CBC/ME Financial Accountability
- Patricia Medlock, Northeast Regional Managing Director
- April May, Suncoast Region Community Development Director
- Alissa Cross, CBC Contract Monitoring Team

While the specific areas of review and analysis varied based on the unique needs and circumstances of each Region, Circuit and CBC, the risk pool framework provided an outline for organizing the work of the Peer Review Committee.

### **Applicant Summary:**

Four CBCs applied for risk pool funding requesting a total of \$9,629,141.

- Eckerd Connects Community Alternatives – Circuit 6
- Children's Network of Southwest Florida
- Community Partnership for Children
- Families First Network

The four CBC's did not require an on-site review as they had an on-site peer review within the previous 12 months.

### **Risk Pool Distribution Allocations and Recommendations:**

#### Families First Network (FFN)

Initial Request: \$1,250,000

Updated Projected Deficit: \$1,404,596

Initial Round Allocation: \$ 0

Round 2 Allocation: \$ 1,404,596

Based on the information reviewed the Risk Pool Peer Review Committee was able to affirm the following:

- On the Financial Viability Plan (FVP), actions aligned with factors relating to entries into care and factors related to children exiting care (adoptions) are going in the right direction; measures aligned with factors related to children in care are going in the wrong direction.
- There was a spike in removals in March 2018, but removals have since been on the decline. Exits had been relatively flat since January 2018 but began trending down in September 2018.
- Addition of the Caregiver and Resource Entry Support (CARES) Team is promising, though too early to see any results.
- FFN continues to struggle with the percentage of children placed in group care; especially those in the age 6-12 group.

### **Recommendations:**

Based on the analysis of the FFN budget and the information provided, the Risk Pool Peer Review Committee recommends a full distribution of \$1,404,596. In addition, the following six recommendations are made:

1. Risk Pool funding provides a stopgap (non-recurring) resource intended to mitigate unanticipated changes in the number of clients and/or services needed for clients; it is not designed to annualize expenses. With this being FFN's third risk pool application, the agency should develop a plan to meet existing and trending client needs while reducing costs more in-line with their recurring core services funding allocation in anticipation of being financially viable next fiscal year.
2. Decision Support Team (DST) staffings appear to have reduced entries which spiked when the DSTs were suspended. FFN has implemented the Family Assessment Support Team (FAST) model used by Family Support Services of North Florida. Implementation should be monitored to determine if FAST is effective and Child Protective Investigators (CPIs) are using the program.
3. FFN should continue efforts to reduce the number of children in residential group care (RGC), especially those under the age of 13.
4. FFN should analyze the issues surrounding high placement moves as this speaks to placement stability. Questions such as who is initiating the change and drilling down to the root cause of the high rate of placement moves should help develop countermeasures. The COU on-site monitoring report references insights that may be helpful on this item.
5. FFN should place a stronger emphasis on prevention/diversion, decreasing use of RGC, increasing use of relative/non-relatives, foster home recruitment, and use of foster homes.
6. FFN should develop a plan to improve permanency; this should include reunification, adoptions, and exits overall.

## Community Partnership for Children (CPC)

Initial Request: \$815,211

Updated Request: \$779,141

Initial Round Allocation: \$ 0

Round 2 Allocation: \$ 779,141

Based on the information reviewed the Risk Pool Peer Review Committee was able to affirm the following:

- CPC has implemented new practices and data analysis projects to improve successful outcomes for the children and families served by their agency.
- CPC continues to underperform in a number of Key Metrics and is under Formal Corrective Action Plans with the DCF regional office. The updates provided by Management were insufficient to determine if there has been any significant progress toward improvement.
- Putnam County has challenges in service provision due to serving a higher population than that for which the area was budgeted.

### **Recommendations:**

Based on the analysis of the CPC budget and the information provided, the Risk Pool Peer Review Committee recommends a full distribution of \$779,141. CPC is in the process of hiring a new Chief Executive Officer and this report should provide insights to the board of directors and new leadership for potential changes for the agency to become financially viable. A distribution of risk pool funds would assist CPC with a financial bridge as solutions are identified and implemented to become financially viable next fiscal year. In addition, the following five recommendations are made:

1. Risk Pool funding provides a stopgap (non-recurring) resource intended to mitigate unanticipated changes in the number of clients and/or services needed for clients; it is not designed to annualize expenses. With this being CPC's second risk pool application, the agency should develop a plan to meet existing and trending client needs while reducing costs more in-line with their recurring core services funding allocation in anticipation of being financially viable next fiscal year.
2. As previously recommended, CPC should explore hiring a Chief Financial Officer. The agency appears to be overly "lean" and may benefit from restructuring its staffing model.
3. CPC should explore programs to increase permanency and decrease re-entry into out-of-home care.
4. CPC should explore supports for retention of foster homes and relative/non-relative caregivers.
5. CPC should continue to meet the requirements of the COU Contract Monitoring Report and Formal Corrective Action Plans to improve overall agency performance.

Children's Network of Southwest Florida (CNSWFL)

Initial Request: \$3,564,643

Updated Request: \$2,000,000

Initial Round Allocation: \$ 0

Round 2 Allocation: \$ 1,285,581

Based on the information reviewed, the Risk Pool Peer Review Committee was able to affirm the following:

- CNSWFL has seen a significant increase in Core Funding over the past five years.
- CNSWFL has made significant improvement in performance in the past fiscal year. Improvements include performance measures and systemic issues that were presenting barriers to service delivery.
- Investments in case management appear to have had a positive impact.

**Recommendations:**

Based on the analysis of the CNSWFL budget and the information provided, the Risk Pool Peer Review Committee recommends a full distribution of \$1,285,581 (\$1,377,367.26 less \$91,786 deficit for Camelot CMO contract).

1. Risk Pool funding provides a stopgap (non-recurring) resource intended to mitigate unanticipated changes in the number of clients and/or services needed for clients; it is not designed to annualize expenses. CNSWFL should develop a plan to meet existing and trending client needs while reducing costs more in-line with their recurring core services funding allocation in anticipation of being financially viable next fiscal year.
2. Management decisions may have been a contributing factor in the deficit. The cost of investments should be projected along with the return on investment (ROI) to ensure the amount can be covered and sustained within the existing core services funding allocation.
3. System design appears to be a cost driver. CNSWFL would benefit from evaluating the effectiveness of initiatives (e.g., placement process, rapid permanency review process, children in care 18+ months, foster home recruitment and utilization, caseload reduction, etc.) and examine how well the service array is meeting the needs of the clients and adjust accordingly within the recurring core services funding.
4. As mentioned in the December 2018 CBC COU report, the organization structure at CNSWFL is complex and somewhat difficult to follow. Several leadership positions are responsible for multiple functions, thereby potentially impacting efficiency. A review, and potential transformation, of the current structure would benefit the entire system of care by providing a clear delineation of duties and provide concise lines of communication to staff and community partners.

## Eckerd Connects Community Alternatives – Circuit 6 (ECA-P/P)

Initial Request: \$5,600,000

Updated Projected Deficit: \$4,218,539 (*remaining after Initial Round Allocation*)

Initial Round Allocation: \$ 2,970,419

Round 2 Allocation: \$ TBD

Based on the information reviewed, the Risk Pool Peer Review Committee was able to affirm the following:

- ECA-P/P's performance has deteriorated, and the agency is not meeting several performance metrics for children in their care: no abuse during in-home services, exiting to permanency within 12 months, rate of placement moves, siblings placed together, and dental services in last seven months. They are trending down in five additional areas: children in care 12-23 months existing to a permanent home, rate of placement moves, siblings placed together, children seen every 30 days, completed/enrolled in education.
- ECA-P/P's FVP does not appear to be having the desired effect nor does it appear to make the agency financially viable if the goals were met.
- ECA-P/P's first deficit actually occurred in FY 2013-2014 in the amount of \$2.25 million. However, they received \$4.0 million in non-recurring funding in FY 2014-2015 and another \$2.75 million in non-recurring funding FY 2015-2016 through proviso language. These non-recurring appropriations enabled them to cover their FY 2013-2014 deficit and carry forward unearned state funds through FY 2016-2017.
- ECA-P/P's core services expenditures have increased significantly in FY 2017-2018 (7%) and are projected to increase even more in FY 2018-2019 (9%). The increases in their expenditures have outpaced their increases in recurring core services funding. These increases are almost entirely in their out-of-home care line.

### **Recommendations:**

Based on the analysis of the ECA-P/P's budget and the information provided, and based on the facts that recurring expenditures have steadily increased in excess of ECA-P/P's allocated budget and performance has declined, the Risk Pool Peer Review Committee recommends no distribution without further consideration by the Secretary. The Risk Pool has traditionally operated under the premise that funding is for non-recurring needs.

The Risk Pool Peer Review Committee acknowledges that ECA-P/P will suffer a cash-flow issue before the end of the fiscal year; lacking about one month of cash. In light of this fact, the Risk Pool Peer Review Committee defers to the Secretary to determine if a distribution should be made to ECA-P/P. Should a distribution be made for this purpose, the Secretary may want to secure a commitment from ECA-P/P on the following items:

- A process flow map for each service that illustrates ECA-P/P's accountability for the system of care in Circuit 6. The process flow map will be developed by ECA-P/P in conjunction with the region within 30 days of any approved disbursement and shared with the region and all subcontracted providers to provide clear lines

of responsibility and accountability from ECA-P/P to the provider for each service offered to children and their families. Any changes/updates must be made within 30 days of the change, will use the same collaborative process, and shared with the region and all subcontracted providers.

- Four detailed action plans as follows. The action plans will be developed by ECA-P/P in conjunction with the region within 30 days of any approved disbursement and include specific timeframes, steps, goals, and who at ECA-P/P is responsible for working the respective plans. The region will conduct reviews at least monthly to monitor progress towards identified goals and/or engage ECA-P/P regarding modifications to action plan items that are not achieving desired outcomes.
  - A detailed action plan to increase the number of children exiting to permanency within 12 months.
  - A detailed action plan to significantly reduce the number of children in residential group care, particularly ages 6-12. This reduction recommendation was included in the initial review in October 2018.
  - A detailed action plan to address case manager turnover. Until ECA-P/P is able to operate without a deficit, a more appropriate caseload is a ratio of 1:20 with a goal of 1:17 long term. This goal recommendation was included in the initial review in October 2018.
  - With the current decrease in the number of children entering care, a detailed action plan to operate within their allocated budget – assuming no changes in allocation – next fiscal year.

As a supplement to any decision the Secretary makes, the Risk Pool Peer Review Committee recommends the following:

1. ECA-P/P should revisit recommendations from the FY 2017-2018 and FY 2018-2019 Risk Pool Peer Review Committee along with the CBC COU monitoring recommendations and work with the region to develop a strong action plan to implement countermeasures in order to resolve issues.
2. ECA-P/P should take more ownership and have processes in place to ensure actions are being completed.
3. ECA-P/P should develop an action plan to address high turnover and stabilize the workforce of its CMOs.
4. ECA-P/P should consider pursuing a stronger effort with a sense of urgency towards developing more robust diversion programs to reduce removals, licensing larger capacity foster homes, increasing permanency, implementing a Family Finders program, and reducing the use of group care.
5. ECA-P/P would benefit from developing an FVP that is more structured towards problem resolution and addresses the projected deficit. The plan should meet existing and trending client needs while reducing costs more in-line with their recurring core services funding allocation in anticipation of being financially viable next fiscal year.

**Total of all recommended allocations: \$3,561,113 (excluding TBD amount for ECA-P/P)**