



*Presentation relating to monitoring the
implementation of Foster Care Redesign*

Senate Committee on Health and Human Services

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Commissioner

To improve outcomes for children, youth and families by creating sustainable placement resources in communities that will meet the service needs of children and youth in foster care, using the least restrictive placement settings.

DFPS recognized that children and youth are too often placed outside of their home communities, leaving behind family, friends, schools, church homes and their support system

Through Foster Care Redesign, DFPS seeks to:

- Promote positive outcomes for children, youth and families
- Improve the overall process and quality of care
- Align incentives with process and quality indicators in a manner that encourages the development of services in locations where they are needed

Current Challenges

- Imbalance in geographic distribution of services and providers
- Insufficient number of residential providers that offer a full continuum of services

Parameters for Redesign

- Model must neither require nor preclude additional funding, with the exception of funding for normal entitlement caseload growth
- Case management must remain the role of DFPS

Public Private Partnership (PPP) served as the guiding body

- Members representative of and conduits to large stakeholder groups
- Tasked with reaching consensus recommendation

Input from a broad base of stakeholders

- Attended trade association meetings
- Attended community forums in each region
- Gathered input from Youth Leadership Council
- Held statewide community forum
- Created Redesign mailbox
- Published request for information (RFI)
- Conducted stakeholder survey
- Published draft Request for Proposal (RFP) for comment

Researched Models In Other States

- Lessons Learned
 - Involve stakeholders early on
 - Communication is critical
 - Evaluation is necessary
 - Designate dedicated staff for implementation
 - Partnership and team work are critical
 - Expect to change and adjust contracts over time
 - Focus on data
 - Invest sufficient resources in monitoring staff and staff training
 - Analyzed Texas Specific Data
 - Gap Analysis
 - Strata and Outcomes
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- **Change The Way We Procure**

From open enrollment to competitive procurement

- Single Source Continuum Contractor (SSCC) ensuring full continuum of paid foster care services for all children and youth in catchment area

- **Change The Way We Contract**

From effort-based contracts to performance-based contracts

- Financial incentives and disincentives for permanency
- Additional performance measures for well-being
- A single contract to provide all paid foster care services and other services for parents and families in a geographic area

- **Change The Way We Pay The Contractor**

From multiple rates to a single blended rate

- De-link service levels from rates
- Separate allotment of funds for other services to children and youth in foster care and their parents and families

- House Bill 1, Rider 25, 82nd(R) Legislative Session
Requires DFPS to submit a report that includes:
 - Expenditures for Foster Care Redesign
 - Progress toward achievement of improved outcomes for children, youth and families based on the quality indicators
- Senate Bill 218 by Nelson, 82nd(R) Legislative Session
 - Requires DFPS to implement a redesign of the foster care system in accordance with the Foster Care Redesign report
 - Authorizes HHSC to develop a separate payment rate for use in the redesigned system, which must tie payments to performance targets.

Criteria for Initial Catchment Areas

- Catchment area should cover entire region(s)
- One metropolitan area and one non-metropolitan area
- Must have at least 500 new entries of children in paid foster care annually
- Stakeholders/community should support implementation of redesigned model

Catchment Areas Up for Bid

- Metropolitan Catchment Areas for Bid:
 - Region 7 (Austin/Central Texas Area)
 - Region 11 (Corpus Christi/ Rio Grande Valley Area)

- Non-Metropolitan Catchment Areas for Bid:
 - Region 1 (Lubbock/ Panhandle Area)
 - Regions 2 & 9 (together) (Midland-Wichita Falls)

- Stage I
 - Implement performance based contracting for a continuum
 - Blend rates across all service levels and eliminate tie between billing and authorized service level
- Stage II
 - Increase provider's role with family and children in their care
 - Provider allocation for services to family of children in their care
- Stage III
 - Implement case rate to include length of stay incentive
 - Hold harmless in regard to financial remedies during first year
 - Implement reinvestment of incentives to further improve outcomes for children in foster care

Performance Based Contracts

- Well-defined performance measures
- Tie payments and contracting decisions to performance expectations
- Flexibility given to contractor to achieve performance metrics
- Focus on major outputs and outcomes
- Monitor for results

The Blended Rate (Stages I, II, III)

- Rates no longer tied to service levels
- Single rate paid for all children and youth
- Rate is calculated for each catchment area

The Blended **Case** Rate (Stage III)

- The average number of days of care that the Blended Rate will be paid without positive or negative financial consequences

A different Case Rate will be determined for the following strata of children and youth

1. Children who enter substitute care before one year of age
2. Children and youth who enter substitute care b/w the ages of 1 and 13 and have been in substitute care for less than 2 years
3. Children and youth who enter substitute care b/w the ages of 1 and 13 and have been in substitute care for 2 or more years
4. Children and youth who enter substitute care b/w the ages of 14 and 17

- Statewide Goals: Initial Roll-out
 - Focus on viability of model
 - Improve outcomes
 - Ensure accountability
 - Identify improvements needed in model of structure and support
 - Engage broad community of stakeholders
- Catchment Goals: Initial Roll-out
 - Focus on operations
 - Ensure safe, appropriate placements
 - Engage local stakeholders
 - Improve outcomes and ensure accountability

Metropolitan Catchment Area	
DFPS Region	Number of Proposals Received
Region 7	4 proposals
Region 11	2 proposals

Non-Metropolitan Catchment Area	
DFPS Region	Number of Proposals Received
Region 1	2 proposals
Regions 2/9	2 proposals

Implementation Timeline

Activity	Timeline
RFP Posted	August- November 2011
Initial Evaluation	November- December 2011
DFPS notifies the Competitive Field	January 2012
DFPS mails Intent to Discuss Letters to the Competitive Field	February 2012
DFPS holds face-to-face discussions with the Competitive Field	March 2012
DFPS mails Tentative Contract Award Letters and holds final contract negotiations	Late Spring-Early Summer 2012

Foster Care Redesign Webpage

Information on Foster Care Redesign can be found on the
DFPS website at:

http://www.dfps.state.tx.us/Child_Protection/Foster_Care/redesign.asp