Risk Pool Funding Application SFY 2020-2021

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: Embrace Families Community Based Care

Region: Central Contract No.: GJL58

Address: 4001 Pelee St. Orlando, FL 32817

Lead Agency Contact: Susan Lowe Phone No.: 321.441.2068

Contract Manager: Sumer Bray Phone No.: 407.222.2012

This request is being submitted in response to a projected deficit at 6/30/2021 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 2020-2021:
   Projected Deficit: $5,104,318
   Amount of Risk Pool Funds Requested: $3,500,000

2) Confirm that the amount of funding requested would be fully expended during Fiscal Year 2020-2021: ☒ Yes ☐No

3) State specifically how the Lead Agency would qualify for Risk Pool funds based upon the requirements in s. 409.990(7)(c), F.S. (Appendix A):
   EFCBC's use of funds meets the purpose in paragraph (c)(1) regarding "significant changes in the number or composition of clients eligible to receive services," and the financial need was caused by circumstances beyond the control of the lead agency management.

4) 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.

5) Please provide a detailed proposal that addresses how you will use these funds to address or correct the underlying cause of the shortfall? The requested funds will be used to address shortfalls in the FY20/21 budget, which includes both the projected $3,020,663 operating deficit as well as the $2,083,655 negative carry forward balance from FY19/20. Full funding of the $3.5m request will enable EFCBC to end FY1920 with a $0 balance, and reduce by almost half the FY2021 projected operating deficit.

6) Please include a detailed narrative budget for the proposal presented in #5 and expected Return on Investment (ROI) for the funds requested.

EFCBC intends to utilize the requested $3.5m in funding for the following expense:

1) To eliminate the FY19/20 certified deficit of $2,083,655 as applied to the three causes listed in the narrative around purchased case management services and client assistance.

2) To reduce the projected FY20/21 $3m deficit by $1,216,345 tied to expenses trending to exceed core funding, as illustrated in the narrative, in the areas of:

- out-of-home care
- client assistance, related to other state systems deferring payment to child welfare.

Risk Pool Funding would relieve a negative impact on services for children and families, and to improve the financial health of EFCBC.

Lead Agency Name: Embrace Families Community Based Care

Region: Central Contract No.: GJL58

Lead Agency CEO/ED Name: Glen Casel

Please confirm the following:

The Lead Agency submitted a SFY 2020-2021 Financial Viability Plan.

☒ Yes ☐ No

The Lead Agency is actively worked its SFY 2020-2021 Financial Viability Plan.

☒ Yes ☐ No

Did the Lead Agency receive Risk Pool funding in SFY 2019-2020?

☐ Yes ☒ No

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

____ 12/15/2020

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.

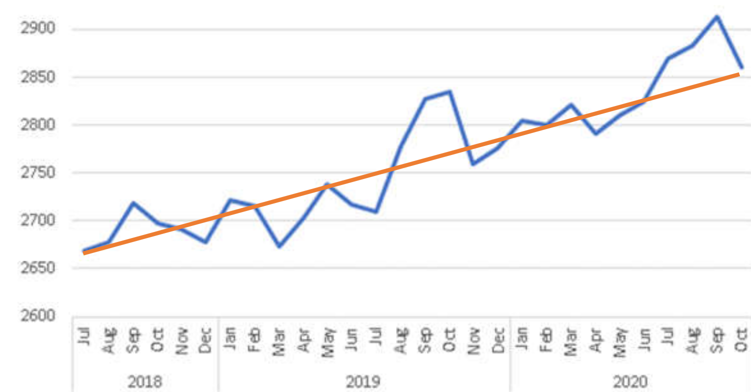
(d) The department may also request in its annual legislative budget request, and the Governor may recommend, that the funding necessary to effect paragraph (c) be appropriated to the department. In addition, the department may request the allocation of funds from the community-based care risk pool in 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.

Embrace Families Community Based Care (EFCBC) entered FY19/20 with a $984,857 surplus. We also had a climbing total client count, increased cost of doing business in residential group care, and crisis of confidence between the Court and a case management provider in Orange County. The Court suspended new case assignments to Devereux-Florida in May 2019, necessitating hundreds of case transfers between October and December 2019. And, the COVID-19 pandemic was a never-anticipated stress on every aspect of our operations, and funding, for 33% of the fiscal year.

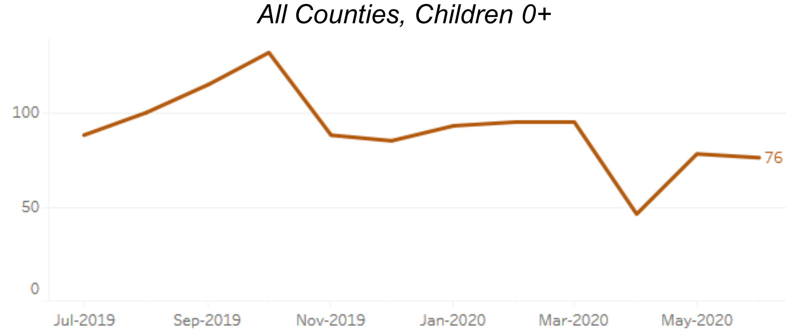
Total Clients 28-MonthTrend[1]
All Counties, In-home and Out-of-Home incl. 18+



FY19/20 Out-of-Home Care Snapshot

From August to October 2019, there was a significant increase in the number of children entering out-of-home care. EFCBC had 50% more children enter care in October (132) as compared to July (88). The average monthly intake during this three-month period was 115, compared to just 83 for the remainder of the year. The placement type in this period was: 60% relative/non-relative, 25% licensed out-of-home care, and 4% residential group care[2].

Children & Young Adults Entering Out-of-Home Care[2]
All Counties, Children 0+



Other factors during this period, and not reflected in the entries-into-care count include:

- 25 entries into licensed foster care from relative/non-relative disrupted placements,
- 4 entries into group care from relative/non-relative disrupted placements, and

[1] https://www.myflfamilies.com/programs/childwelfare/dashboard/cya-inhome.shtml (combined with) https://www.myflfamilies.com/programs/childwelfare/dashboard/c-in-ooh.shtml

[2] htttps://www.myflfamilies.com/programs/childwelfare/dashboard/c-entering-ooh.shtml

- 11 entries into licensed foster homes from in-home.
- A moderate rate increase to residential group care providers effective July 2019, the first such increase to most providers in several years. This necessary increase in the cost of doing business ensures the financial viability of these providers.

Also occurring in October 2019:
- 98 cases from one case management provider in Orange County that should have exited to permanency by October, did not achieve that 12-month goal.
- 583 cases from the same provider began to transfer to other providers to move towards resolving a slowdown in the dependency process in Orange County.

<u>Continuing Conditions</u>

Some of the causes contributing to EFCBC's deficit position in FY19/20 will continue to impact our system into FY20/21. EFCBC anticipates out-of-home care will continue to exceed YTD budget in the current year, notably in foster board payments and residential group care. Adding to the cost burden is the failure of local offices representing other state systems of care to share costs for eligible children and families, instead of relying on the child welfare system for payment.

<u>Risk Pool Funding Request</u>

Though EFCBC has benefitted from FY19/20 Back of the Bill funding, the organization enters FY20/21 with a combined projected total deficit of $5m. Full funding of the $3.5m request will enable EFCBC to eliminate the $2m carryforward deficit to end FY19/20 with a $0 balance, and to reduce by almost half the $3m projected deficit for FY20/21. Risk Pool Funding would relieve a negative impact on services for children and improve the financial health of EFCBC. What follows in this narrative are three specific causes of EFCBC's deficit position in FY19/20 tied to conditions beyond the lead agency's management that impacted core funding.

1) CASE MANGEMENT PROVIDER PERFORMANCE FAILURE

<u>How the deficit occurred</u>. **In the county with the highest volume of cases, one of three dependency case management providers' failed performance cost $1,146,599 in FY19/20.** Devereux Florida-Orlando (Devereux) was one of three subcontracted dependency case management agencies (CMA) in Orange County. From July 2017, Devereux progressively failed to meet performance outcome measures and weekly targets of child exits, permanency and case closures. Devereux collapsed into disarray in the spring of 2019, culminating several years of poor performance and lack of strong operational management. EFCBC issued a Performance Improvement Plan on April 15, 2019 – two weeks later the Court intervened. As FY19/20 began, EFCBC took necessary steps to mitigate Devereux's impact on the continuity of our system. The improvement required proved to be beyond Devereux's reach, despite EFCBC's many efforts.

Devereux's poor performance caused the Court to lose confidence in the agency. During a hearing, one of Devereux's local leaders admitted to regularly telling case managers to violate court orders regarding Safety Plan compliance. (Program Director was arraigned on criminal contempt charges for violating court orders.) The Court's response would set the trajectory for the lead agency's elevated intervention, and Devereux's exit from case management services.

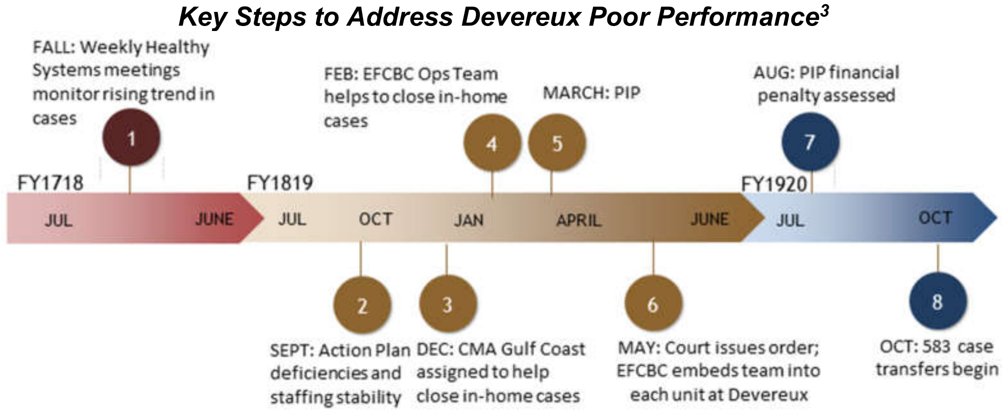
- May 2, 2019: Judge Craner ordered "that Devereux-Florida is not to be assigned any new cases until the Court receives assurance that there are no directives issued by Devereux employees that are contrary to court orders…and a review of all files."

Devereux's poor performance disrupted dependency case movement. This came at a critical period within our system of care. Summer break is generally the time for which staff plan transitions to safely reunify children without disrupting their education. This allows for the system to absorb the anticipated influx of abuse reports that occur just before the school year ends and again when school commences in the fall. Devereux staff were focused on reviewing their court orders during this period rather than reunification and transition planning.

Devereux's poor performance caused EFCBC to shift cases to other providers so our local system would not default. Because of the Court's moratorium on new cases, EFCBC had to work with our other providers to ensure the safety, permanency and well-being for the children we serve. This required hiring new case managers as well as paying overtime for current staff, at a cost of the $1.1m noted previously. We took this approach to ensure manageable caseloads so children and families received the level of service required to safely support their permanency.

Steps taken to address this cause. EFCBC undertook extensive efforts to address the Devereux system beginning in FY17/18, when a rising trend in cases was observed. EFCBC instituted weekly meetings to review key metrics for a "healthy system" and to collaborate with Devereux staff to overcome any barriers. In Sept. 2018, an Action Plan was created centered on four areas: 1) quality of caseworker contact; 2) timeliness of service referrals/implementation; 3) post placement supervision per Safety Plan; and, 4) lack of sufficient supervisory reviews. In Dec. 2018, a second CMA was paired with Devereux staff to help close in-home cases. In Jan. 2019, EFCBC conducted a round of case reviews and discussed findings in a formal call with Devereux leadership. The next month, EFCBC deployed additional staff to help close in-home cases.

Key Steps to Address Devereux Poor Performance[3]



By March, EFCBC had created a supervisor checklist and facilitated two full supervisor training series, including extensive education around Safety Decision Making Methodology and supervisor reviews. Throughout this period, EFCBC embedded multiple staff to provide direct, on-site supervision and support to focus efforts on in-home cases and drive permanency outcomes. EFCBC leadership hosted a meeting in mid-March with local Devereux leadership to discuss the importance of risk reviews, case transfer staffings and quality supervision. By the end of March,

[3] Source: EFCBC Network Support provider contract records

EFCBC instituted a formal Performance Improvement Plan (with financial penalties) based on insufficient performance on supervisor reviews, client contacts and service implementation.

Plan to work within allocated core funding in the future. This cause of EFCBC's deficit position was resolved in FY19/20. But in part, these conditions emphasized the need to reimagine the work of case managers. In FY20/21, EFCBC is moving into a new service model to redefine dependency case management, adding a new position to increase caregiver supports (and thereby placement stability) which then allows the case manager to focus on parent engagement to facilitate more expedient and sustainable permanency. This will improve the workload for case managers, and thereby their retention. We expect this new approach will show movement in out-of-home care by March 2021; early indicators have been positive.

2) LACK OF COST-SHARING BY OTHER FUNDERS FOR CHILDREN AND FAMIILIES

How the deficit occurred. **In FY19/20, EFCBC bore $2.2m in expenses for services to children who were at risk of entering or entered the dependency system due to lack of access to services from other child and family serving organizations.** EFCBC served children and families that are likely to be eligible to be served by three statewide systems, straining a child welfare system not built to care for them. EFCBC served a significant number of children who were brought to our attention due to family instability caused by lack of access to services by other responsible child serving organizations such as Agency for Persons with Disability and Department of Juvenile Justice. This lack of services initiated a referral to EFCBC for either family support services or the initiation of a dependency case.

Agency for Persons with Disability (APD) **In FY19/20 112 children who should be eligible with APD incurred expenses costing child welfare >$1.2m**. EFCBC supported the family preservation of these children with a goal to help them access the APD system designed for their care. Our local APD office views child welfare as the first intervention. Therefore, EFCBC is carrying a higher burden to provide navigation services and/or residential care in an effort to prevent removal or as part of our supporting children who become dependent due to lack of intervention for complex needs. In addition to placement costs, many of these children require one-on-one services to assist their placements with supervision. EFCBC served 56 community children, and 53 additional children entered dependency care. (>$1.1m). EFCBC served an additional three children, on APD Waiver, for whom APD refused to provide appropriate residential services. ($147k). Without EFCBC's intervention and successfully maintaining 56 children with their families, the number of children in the system of care may have doubled as well as the corresponding expense for their care.

Department of Juvenile Justice (DJJ) **In FY19/20, 10 children who should be eligible with DJJ incurred expenses costing child welfare $700k.** The child welfare system is not equipped to be an alternative for commitment programs. Placement in foster homes for youth with legal charges is difficult, and placements in congregate care settings generally require enhanced rates and one-to-one supervision as part of the placement agreement. Our local DJJ office's position is to exhaust all resources in our system before they consider a commitment program. Therefore, EFCBC served eight children that were a DJJ Lockout at an average daily rate of $150 – some had quite serious charges and several had sexual offenses. ($432k) Two additional children with sexual offenses required higher level residential treatment found out-of-state. ($265k)

Medicaid Program **In FY19/20, 222 parents who may be eligible with Medicaid cost child welfare $303k.** It is imperative parents receive behavioral healthcare treatment to facilitate family stabilization or reunification when children enter the dependency system due to parents' substance misuse or mental health needs. Although Medicaid or Substance Abuse and Mental Health (SAMH) should be the primary funder paying 80% of cost, EFCBC covered these expenses to ensure compliance with court ordered time frames and timely permanency. This has been necessary due to lack of service availability with SAMH providers or parents losing Medicaid coverage due to removal of their children. The September 2019 Temporary Access policy allows for parents to maintain Medicaid eligibility for a period of 12 months post-removal. Despite this policy, there was not a change to practice to ensure parents' eligibility was not ended in ACCESS.

<u>Steps taken to address this cause.</u> EFCBC has been seeking DCF's assistance for five years regarding APD and DJJ local cost sharing issues. EFCBC, APD and DCF hold monthly calls to address individual children. EFCBC and DCF also have ongoing discussions to mitigate the local cost sharing impact of DJJ crossover children. Despite these efforts, the ongoing failure of local APD and DJJ offices to collaborate continues to add substantial cost to our system, particularly around group care. On the newer Medicaid payer issue, EFCBC has worked with Central Region staff to develop processes to ensure continuation of Medicaid eligibility for parents' post-removal of a child: 1) development of materials for CPIs to notify parents of continued Medicaid eligibility during the temporary absence; 2) case manager training to help parents through the benefits application process; and, 3) the development of automated reports to manage clients.

<u>Plan to work within allocated core funding in the future.</u> EFCBC will continue our attempts to engage with these agencies for which children and families may also be eligible with the goals of reducing the cost burden on child welfare resources and ensuring support is provided by the most appropriate agency. Although Central Region staff have made significant efforts to facilitate such collaborations, it is likely the APD and DJJ issues will need to be resolved at the state level.

2) FOSTER BOARD SPECIAL PAYMENT

<u>How the deficit occurred</u>: **EFCBC invested $196,800 to maintain foster placement stability in connection with the COVID-19 pandemic.**[4] COVID-19 impacted our child welfare system operations, closed local schools, and destabilized our community for 33% of FY19/20. Central Florida was hit especially hard because tourism is the region's largest employer, supporting over 40% of the workforce. The industry quickly issued mass furloughs with permanent job losses following a few months later (which continue), broadly impacting families across our community.

One-time $300 financial stability payments were made in April 2020 to foster homes license level 2-5. Foster families were under stress with increased household costs related to the school shutdown in March, as well as the instability of the local service economy job market. With EFCBC's dependency care operations still taxed by the Devereux transition, the risk of placement disruption due to family financial distress had to be mitigated.

<u>Steps taken to address this cause</u>: EFCBC feels strongly this was a necessary proactive step to shore up foster home stability during such unprecedented times. EFCBC's placement stability rate, 3.37 moves per 1,000 placement days, is ahead of the statewide average of 3.53, and is also ahead of most other urban area lead agencies around the state.[5]

<u>Plan to work within allocated core funding in the future</u>: N/A

[4] Source: FSFN payments records
[5] https://www.myflfamilies.com/programs/childwelfare/dashboard/moves-1000.shtml, FY2021 Q1.