

Protocol for Requesting Risk Pool Funding

State Fiscal Year 2021-2022

This Protocol for Requesting Risk Pool Funding for state fiscal year 2021-2022 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 321 of the General Appropriations Act for state fiscal year 2021-2022 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 2019-2020 and 2020-2021).

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 2021-2022 if they meet the following criteria:

- The CBC meets the statutory requirements for uses of risk pool funding in 409.990(7)(c), Florida Statutes.
- The CBC projects an end of fiscal year deficit, exclusive of any carry forward deficit.
- The CBC's Financial Viability Plan includes well defined and effective actions as well as measurable and reasonable projected outcomes to improve their primary costs drivers that affect their projected deficit.

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 **October 15, 2021**, the "Risk Pool Funding Application SFY 2021-2022."

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 October 15, 2021.**
- 1.2 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.
- 1.3 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) 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.
 - (d) 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. Report on technical assistance activities completed and remaining, and/or recommendations for future technical assistance.
- v. Access to the risk pool.

1.4 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 2021-2022

Please complete all items, sign and date the application, consult with your Regional Managing Director, and submit electronically to the Barney Ray, Director of Revenue Management & Partner Compliance at Barney.Ray@myflfamilies.com

Lead Agency Name: Big Bend Community Based Care, Inc. d/b/a NWF Health Network

Region: NW Region

Contract No.: BJ101

Address: 525 North Martin Luther King Jr. Blvd., Tallahassee, FL 32301

Lead Agency Contact: Mike Watkins

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 6/30/2022 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 2021-2022:

Projected Deficit: \$(4,063,051)

Amount of Risk Pool Funds Requested: \$1,795,446

- 2) Confirm that the amount of funding requested would be fully expended during Fiscal Year 2021-2022: 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):

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

2. Significant changes in the services that are eligible for reimbursement.

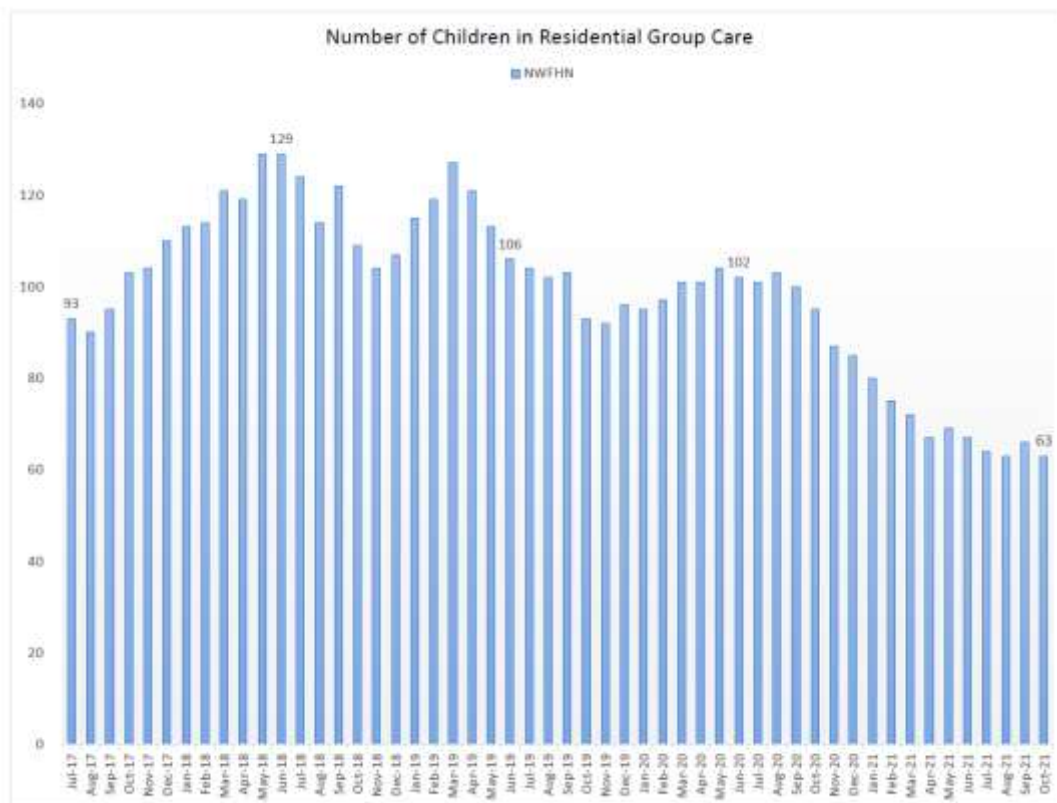
The implementation of the Family First Prevention Services Act (FFPSA), specifically related to group care rates as well as Level I licensing requirements, has created significant changes in services eligible for reimbursement by NWF Health Network.

- 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.

NWF Health Network is seeking risk pool funding for the 2021-2022 Fiscal Year. The projected deficit is specific to the implementation of FFPSA and the Department’s negotiation of residential bed rates without input of NWF Health Network or consideration for increased funding to support the established bed rates in Circuit 2 and 14 and across Florida. Throughout the process NWF Health Network and other Lead Agencies expressed to the Department concerns related to the significant increase of residential bed rates. The Department moved forward with negotiations, without inclusion of Lead Agencies, and without adding funding to support the bed rates.

Over the last Fiscal Year, NWF Health Network made significant strides in reducing our out of home care population. In June 2020 our out of home care population was 1,064. A year later our population was reduced to 921 and in August fell to 890 - - our lowest since 2017.

A priority focus last Fiscal Year for out of home care was children and youth in group care. Implementing multiple strategies NWF Health Network and our sub contracted providers were able to achieve a remarkable reduction in the number of children and youth residing in group care. 102 to 63. Our intense focus on staffings at the frontline level between placement, licensing and case management; assigned Champions to the highest cost children and youth in group care; expansion of our licensed home capacity; and executive leadership focus on virtual meetings with placement, licensing, case management and adoptions led to the reduction in our deficit. However, the success NWF Health Network has had over the last year in reducing group care placements is null, related to financial impacts, with the significant increased rates the Department negotiated with our providers. While the number of children and youth was dramatically reduced our cost no longer has the positive financial impact.



Also related to FFPSA implementation is the Level I licensing requirement to achieve and sustain 40% of our relative/non-relative caregivers as licensed homes. NWF Health Network was at 15.48% as of June 2020 and ended with an incredible 42.67% licensed Level I homes at the end of June 2021. This was done without additional or adequate funding for the program. The program currently runs on 11.45 FTEs a total cost of \$706,799. NWF Health Network was only funded for \$471,902. A variance of \$234,897.

- 5) Please provide a detailed proposal that addresses how you will use these funds to address or correct the underlying cause of the shortfall? See attached Exhibit E
- 6) Please provide a detailed budget projection for FY 2021-2022 using the template provided with this application. See attached Exhibit F
- 7) Please include a detailed narrative budget for the proposal presented in #5 and expected Return on Investment (ROI) for the funds requested.

The Risk Pool funds designated to NWF Health Network will be used to address the increased Department negotiated and approved residential bed rates in our out of home care budget and increase costs in Level 1 staffing as a result of FFPSA implementation without receiving the additional funding appropriation.

Out of home care, specifically group care, drives the majority of NWF Health Network's deficit. Our goal is to achieve and maintain no greater than 50 children or youth in group care. This would be a 79 children and youth reduction since June 2018 and a 52 children and youth reduction since June 2020. Our intense focus on staffings at the frontline level between placement, licensing and case management; assigned Champions to the highest cost children and youth in group care; implementation of our Family Finder program; and executive leadership focus on virtual meetings with placement, licensing, case management and adoptions has and will continue to reduce our deficit. However, the success NWF Health Network has had over the last year in reducing group care placements is null with the significant increased rates the Department negotiated with our providers. While the number of children and youth was dramatically reduced our cost no longer has the positive financial impact.

NWF Health Network's success in licensing Level I placements over the last FY will continue to be a priority however the ability to license new families and relicenses existing families has created an added workload to the Level I team.

Other activities which will lend to financial accountability are listed in our Financial Viability Plan. A system focused on an in home population versus an out of home population will benefit families, workforce and budget. Each of the activities is measurable and achievable.

Fiscal Year 20-21 Risk Pool Recommendations:

1. NWFHN should continue its efforts to stabilize and improve the case manager and supervisor retention and reduce caseloads.

NWF Health Network has been working with a team of Lead Agencies, case management organizations and The Florida State University's Center for Human Resource Management

focused on retention of case managers statewide. NWF Health Network has utilized Lead Agency resources to assist our case management organizations in stabilization of resources in three of our four quadrant areas. While retention is still higher than desired the first Quarter of Fiscal Year 2021/2022 is promising with all four quadrants below normal turnover averages.

Caseload reduction has been a priority over the last year. The additional resources provided by the Lead Agency in three of our four quadrants, planned activities around in home cases and Conditions for Return discussions have created successes in overall caseload numbers. All but one quadrant are currently experiencing manageable caseloads. As part of NWF Health Network's case management procurement the budget and case management FTEs were evaluated utilizing historical data trends. This has created the need for more case management in one quadrant and a reduction in FTEs in two quadrants. This should help in caseload reduction efforts, as well.

2. NWFHN should work with their partners to focus on closing cases; particularly cases in which parental rights have been terminated. The Team recommends putting a Judiciary workgroup together to assess why cases are not moving through the system towards permanency in a timely manner. The team should include CLS, Guardian Ad Litem (GAL), Case Management, and Judges.

Northwest Regional Managing Director, Walter Sachs, and Chief Executive Officer, Mike Watkins, reached out to the judiciary in Circuit 2 and 14 to initiate further discussions related to a Judiciary workgroup. Due to recent changes in Judiciary and upcoming changes in Judiciary the response to such has been different and delayed. Outside of the Judiciary all parties: case management, Guardian ad Litem, Children's Legal Services, Child Protective Investigations have all been supported of the workgroups. November 19th is our first scheduled discussion in Circuit 2. Circuit 14 is still pending based on an upcoming change in Dependency Judge. Cases not moving through the judicial system is specific to Circuit 14 and not specific to the Dependency system. Two additional judges, one specific to Dependency, will be added to the Circuit effective January 2022.

3. Continue efforts to lower group care costs which was trending in right direction but have since flat lined.

A priority focus last Fiscal Year for out of home care was children and youth in group care. Implementing multiple strategies NWF Health Network and our sub contracted providers were able to achieve a remarkable reduction in the number of children and youth residing in group care. 102 to 63. Our intense focus on staffings at the frontline level between placement, licensing and case management; assigned Champions to the highest cost children and youth in group care; expansion of our licensed home capacity; and executive leadership focus on virtual meetings with placement, licensing, case management and adoptions led to the reduction in our deficit.

4. Continue efforts to build front-end prevention diversion efforts in order to give relief on back-end dependency cases that need to achieve permanency.

NWF Health Network is re-setting child protection in Fiscal Year 2021/2022 to create a system that better meets the needs of the families we serve. As we procure all of our child protection

sub-contracts via a four step process this year one of the steps is specific to front-end prevention diversion efforts.

NWF Health Network's success in receiving Federal and State grants via child protection and managing entity have allowed the implementation of several Evidence Based Practices (Federal Clearinghouse) in our twelve county area. Using the successes of those programs or lessons learned puts us in a better posture of understanding what our families need and where gaps may exists.

5. Continue to identify and refine specific measurable goals for each action and focus on achieving the goals of the Financial Viability Plan.

NWF Health Network met all goals set forth in the 2020/2021 Financial Viability Plan. In the 2021/2022 Financial Viability Plan we will continue many of the activities and have added specific activities related to Conditions for Return and Permanently Committed children and youth, as well as others, which we believe will garner the same success as last year.

EXHIBITS:

EXHIBIT B – Out of Home Care v. Financial Viability Plan

EXHIBIT C – Financial Viability Plan

EXHIBIT D – Level 1 Licensing

EXHIBIT E – Risk Pool Deficit Funding

EXHIBIT F – NWF Health Network 2021-2022 Budget Projection

Lead Agency Name: Big Bend Community Based Care, Inc. d/b/a NWF Health Network

Region: Northwest Region

Contract No.: BJ101

Lead Agency CEO/ED Name: Mike Watkins

Please confirm the following:

The Lead Agency is actively working its SFY 2021-2022 Financial Viability Plan.

Yes No

Did the Lead Agency receive Risk Pool funding in SFY 2020-2021?

Yes No

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



10/15/2021

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.