Risk Pool Peer Review Committee

Executive Summary Report

Fiscal Year 2020 - 2021

Executive Summary:

The department established a Risk Pool Peer Review Committee (the Committee) pursuant to Ch. 409.990 (7), Fla. Stat. (2020), for state fiscal year (FY) 2020-2021. The Risk Pool application process was informed by lessons learned from 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 330) for FY 2020-2021. In compliance with this proviso language, the department (DCF) 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.

Due to the COVID-19 pandemic this fiscal year, the Committee conducted a review virtually in January 2021 with relevant information available from multiple sources to make recommendations. The documents reviewed are below:

- Risk Pool Funding Application FY 2020-2021
- Financial Viability Plan FY 2020-2021
- 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 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)

Additional information was requested and follow up provided by the CBCs which allowed the team to make a recommendation without an on-site visit for any applicant.

The Committee consisted of:

Lee Kaywork, Team Leader

Lauren Hahn, CFO, Communities Connected for Kids, Inc.

Larry Rein, CEO, ChildNet, Inc.

Nadereh Salim, CEO, Children's Network of SW Florida, LLC

James Weaver, DCF Director of Protective and Supportive Services

Barney Ray, DCF Director of Revenue Management and Partner Compliance

Raeann Bacchus, DCF Southern Region, Regional Managing Director

Eddie Encarnacion, DCF Northeast Region, Regional Managing Director

Stephanie Hayden, DCF Quality Office Manager

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. Areas of greatest need were a consideration in the recommended allocation of funding.

Applicant Summary:

The amount of appropriated risk pool funding is $8,054,312 and four lead agencies applied for risk pool funding requesting a total of $16,643,974 which exceed the funding available. All funds are proposed to be allocated. An evaluation of progress of each financial viability plan should be a consideration for the allocation of any additional funding in addition to factors beyond the control of the lead agency.

Lead Agency	Circuit	Requested Amount	Recommended Allocation
NWF Health Network	2 & 14	$3,987,079	$2,174,960
Safe Children Coalition	12	$1,102,583	$879,352
Eckerd Community Alternatives (Pasco & Pinellas)	6	$8,054,312	$5,000,000
Embrace Families	9 & 18	$3,500,000	$0
	Total	**$16,643,974**	**$8,054,312**

The peer review team made recommendations based upon the requirements established in Ch. 409.990 (7), Fla. Stat. (2020), FS below.

(7)(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.*

Risk Pool Distribution Allocations and Recommendations:

Big Bend Community Based Care, Inc. dba NWF Health Network – DCF Contract # BJ101 for Circuits 2 & 14

Request: $3,987,079

Allocation: $2,174,960

Based on the information reviewed the Committee was able to affirm the following:

- NWF Health Network (NWFHN) is funded at 91.4% of optimum funding based on the Florida Funding for Children model.

- Circuits 2 & 14 are still recovering from Hurricane Michael which has impacted living arrangements for both employees and foster parents, court calendar, service delivery, employee and foster parent recruitment and other key functions of the community support.

- The Covid-19 pandemic has exasperated the circuit disruption.

- The discharge rates have been declining in part due to court calendar back log and high number of Children's Legal Services (CLS) attorney vacancies.

- NWFHN funded Level 1 licensed foster home licensing specialist positions at a total cost of $679K in order to attain the 40% goal set by DCF. This exceed the $471k funding provided by DCF for this increased workload.

- NWFHN funded two coordinator positions for Early Childhood Court when the court decided not to fund the position despite funds allocated for that purpose by the legislature.

- NWFHN increased the case manager salary levels to stabilize the work force and attract new case workers. This was designed to offset some of the impact of the loss of affordable housing due to shortages caused by Hurricane Michael. While this increase resulted in case manager stability, it has not resulted in lower caseloads for circuits 2 and 14 combined.

- NWFHN has a high reliance on Residential Group Care (RGC) which contributes to its deficit.

Recommendations:

Based on an analysis of the NWFHN's budget and the information provided, the Committee found that NWF Health Network qualifies for risk pool funding and recommends a partial distribution of $2,174,960.

The request amount was adjusted for the following:

- Excluded the proposed 3% budget cut since the cut has not been implemented by the state and if it were it would not be appropriate to use Risk Pool funds to offset the will of the Legislature.

- Excluded the $830,631 deficit from FY 2019-2020 since the Risk Pool funds are not designed to pay previous years deficits.

- Excluded the additional funds for Level I licensing workload because it does not meet the criteria for funding since this decision was at the discretion of management. The Committee recognizes that the additional resources did accomplish the goal of increasing the percentage of Level I licensed foster homes.

- Excluded funding NWFHN provided for the two Early Childhood Court coordinators because it does not meet the criteria for Risk Pool funding. Since the legislature authorized funds to the court for this purpose, the burden should not fall to the Lead Agency if the local court redirects those funds.

In addition, the following five recommendations are made:

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

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.

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

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.

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

Safe Children Coalition, Inc. (SCC)- DCF Contract # QJ2B0 for Circuit 12

Request: $1,102,583

Allocation: $879,352

Based on the information reviewed the Committee was able to affirm the following:

- The request for risk pool funding included a projected deficit in available funding for Level I licensed foster homes payments of $117,335. DCF has sufficient budget available to allocate additional funds in this amount.

- SCC is at 74.7% of optimum funding according to the Florida Funding for Children Model; they are the third lowest funded CBC in the state.

- SCC has been one of the most underfunded CBC's in the state for many years, despite this, they have managed to perform above statewide average for the most part.

- SCC applied for a Paycheck Protection Program (PPP) loan and applied a portion of the loan to their Children In Need (CINS)/Families In Need (FINS) and Child Care operations and some to their CBC contract expenses, which has helped reduce their deficit.

- SCC had some of the highest removal rates in the state for several years, but most recently, the number of removals are trending down. The recent downward trend may be Covid-19 related.

- Despite record removal rates for several years, between June 2019 and June 2020 SCC has reduced average monthly in-home cases by 22 children and out-of-home cases by 33 for a total net decrease of 55 children.

- SCC has maintained steady discharge rates that are above the statewide average; albeit a slight decline in FY 2019-2020.

- SCC made a significant reduction in group home census since June 2020 from 100 to 58 placements, although their daily rate has gone up. Over the last 4 years they have reduced group care costs by $1 million.

- SCC has had several major events in their recent history (3 years) that created additional challenges and opportunities:
    - Separated from Sarasota YMCA and established their own entity (SCC)
    - One of their case management organizations or CMOs (Family Preservation Services) gave them a 30-day notice to terminate their contract for family preservation services

- SCC began providing CMO services in-house for Sarasota and DeSoto Counties
    - One CMO was changed due to poor performance and Lutheran Services Florida was selected to serve Manatee county.
    - DCF closed a local group home (Everyday Blessings), SCC stepped up and opened their own group home for their most challenging youth.
    - SCC was asked to take over diversion services in Manatee County, funded by Manatee County Government. Removals in Manatee county have gone down drastically.

- SCC has sought and received more than $4.8M in additional funding for a variety of local grant programs.

- SCC has a strong management team which has overcome many obstacles including significant under funding.

- SCC has successfully implemented previous Risk Pool recommendations.

Recommendations:

The Committee found that Safe Children Coalition qualifies for risk pool funding and recommends a partial distribution of $879,352 which is equal to the CBC's estimated deficit of $1,102,584 less the $117,335.19 in Level I licensed foster home payment deficit which the Department will fully fund within existing budget authority, and less $105,896.81 in budget projection adjustments. The Risk Pool funding is approved to be used to offset out of home care costs.

The expenditure of approved risk pool funds is based on relevant and verifiable service trends and changes that have occurred during the current fiscal year. The applicant's financial need is caused by circumstances beyond the control of the lead agency management. The use of risk pool funds meets at least one of the purposes specified in section 409.990 (7)(c), F. S.

1. SCC has implemented many strategies and initiatives to reduce entries, maintain and increase exits, reduce group care placements and manage costs while maintaining good performance. SCC continuing these efforts should produce long term positive effects on their system, including finances.

2. SCC should focus on increasing the number and percent of Level I licensed foster homes which should help reduce the number in residential group care.

3. SCC should continue to seek additional community and grant funding.

Eckerd Youth Alternatives, Inc. dba Eckerd Connects (Eckerd)– DCF Contract # QJ511 for Circuit 6

Request: $ 8,054,312

Allocation: $ 5,000,000

Based on the information reviewed, the Committee was able to affirm the following:

- Circuit 6 is now the lowest funded CBC in the state, despite the allocation of new funding in FY 2020-2021.
- Based on the Florida Funding for Children; Circuit 6 is funded at 70.9% of optimum funding.
- Although removals have recently trended lightly downward, there is a lag time between removals and exits from care. Therefore, it will likely take up to 24 months before those reductions will be realized and the number of kids served decline.
- Eckerd is reporting an increase in Agency for Persons with Disabilities (APD) eligible client's costs. All CBC's and provider agencies are and have been struggling with APD and Department of Juvenile Justice (DJJ) client's costs for the past several years. This will require a statewide solution.
- Eckerd has struggled with meeting their performance measures over the past several years.
    - Eckerd's Title-IV-E eligibility rate is below the state average and the goal of 72%.
    - Eckerd Placement moves per 1,000 bed days is the lowest in the state.
    - Eckerd is the second lowest in the state in placing siblings together.
    - Eckerd is not meeting 7 of the 12 Scorecard goals.
- There has been a significant increase in total population served, and more importantly a significant increase in out-of-home care, which is more costly than in-home care.
- Eckerd has seen an increase in Residential and Group Care especially for the teen population. They are the second highest in the state. They have decreased their bed hold expenditures.

- Eckerd is experiencing a decrease in exits. Their months to discharge and their time to permanency have been steadily going up. Their Average Length of Stay is 21.31 months which is higher than the State Average of 18.53 months and it is trending upward.

- Front end services seem substantial however there is a question as to the cost effectiveness of the Evidence Based Programs.

- Eckerd reports an increase in the number of foster homes; however, they are not meeting the need for placement of teens.

- Eckerd continues to have improvements in a number of areas, including:
  - Decrease in the number of children entering dependency by 120 children year over year.
    - They have decreased youth in residential group care placements by 44 children.

Recommendations:

The Peer Review Committee found that Eckerd qualifies for risk pool funding and recommends a partial distribution of $5,000,000. The recommended distribution is the balance of risk pool funds available after considering each risk pool application and partially funding qualified applicants. The Risk Pool funding is approved to be used to offset out of home care costs.

The expenditure of approved risk pool funds is based on relevant and verifiable service trends and changes that have occurred during the current fiscal year. The applicant's financial need is caused by circumstances beyond the control of the lead agency management. The use of risk pool funds meets at least one of the purposes specified in section 490.990 (7)(c), F.S. (2020).

1. Place a stronger emphasis on the reduction in the number of children in residential group care.

2. Reduce residential/group rate adjustments and/or no future rate increases in light of the deficit.

3. Review and reexamine administrative costs to identify efficiencies and reduce those costs. Administrative cost rates have gone up between FY 2018-2019 and FY 2019-2020.

4. Re-negotiate or re-examine front end services with provider since number of families served is going down but the cost remains the same.

5. Explore rapid permanency reviews and/or other targeted reviews to move cases to permanency.

6. Review in-home placements over 6 months (including post placement supervision) to assess for continued service needs or safe case closure. 142 out of 493 children have been in in-home placements more than 6 months.

7. Focus on reducing the caseload ratio (as recommended in prior risk pool reports).

8. Consistent with the finding during the most recent on-site monitoring, Eckerd Circuit 6 should continue to focus on addressing case manager turnover.

Embrace Families, Inc. (EFCBC) – DCF Contract # GJL58 for Circuits 9 & 18(Seminole County)

Initial Request: $ 3,500,000

Revised Request: $ 3,500,000

Allocation: $0

Summary of Findings:

Based on the information reviewed the Committee was able to affirm the following:

- Expenses incurred in FY 2019-2020 do not qualify for Risk Pool funds.
- Embrace Families is funded at 101% of optimum funding based on the Florida Funding for Children model (FFFC) Even if the DCF contract with Orange County for residential group care placements by EFCBC is excluded from this calculation, they are still at 97.4% of optimum funding.
- Embrace Families received $2.45M Back of the Bill funding in FY 2019-2020 to address their operating deficit but still spent $2.0M more than provided.
- Embrace Families has not experienced a significant increase in removals or out-of-home care.
- All CBCs and provider agencies are and have been struggling with Agency for Persons with Disabilities (APD) and Department of Juvenile Justice (DJJ) costs for the past several years. This population of children require a statewide solution and is not unique to this CBC.
- An across-the-board foster placement stability payment, albeit minimal (COVID related) was a nice gesture, but at a time when agency is aware of a funding deficit, it may not have been financially prudent.
- Embrace Families acknowledges that one of their case management agencies, Devereux, experienced a progressive failure beginning in 2017 and despite EFCBC's attempts to assist, by early 2019 the Devereux collapsed.
- Embrace Families Level 1 licensed foster homes is at 29.9% which is below the 40% goal but higher than the state average of 29.14%
- The percent of Residential Group Care placements of all out-of-home placements has ranged from 8.8% to 10.0% from 11/30/2019 to 11/30/2020 which is much higher

than the statewide average from 7.5% to 8.5% over the same period of time. The statewide trend has also decreased during this time period while EFCBC performance increased reaching 10% in July 2020 before decreasing in the last five months to 8.8%.

- After substantial research and stakeholder input, Embrace Families implemented a caregiver support redesign of their system of care in January 2020 which increased existing services or expanded the array of services available to serve children and families. These changes were made to improve support to children and their caregivers and to increase retention and satisfaction of caregivers and case management communities. Four (4) areas of specialty were created in the new model: Case Managers, Caregiver Support Managers, Transitional Support Managers and Emotional Support Managers. Eventually EFCBC expects to realize a reduction in the number of children in out-of-home care and costs associated with that population. The impact of the COVID-19 pandemic was an unanticipated event which EFCBC attributes to a slower realization of the benefits of the redesign.

- Embrace Families is to be commended for their performance despite the financial deficit they are reporting and projecting. It appears that the deficit has not impacted their performance in many areas, up to this point.

- Embrace Families' request does not meet the criteria for inclusion in the Risk Pool because of decisions made on matters within their control which contributed to their deficits in the prior year and current year.

Recommendations:

The Committee review found that Embrace Families does not qualify for risk pool funding.

1. Embrace Families should assess the services that were added or increased as a result of their system redesign of its system of care in order to determine the cost benefit and make adjustments to eliminate low performing or minimally effective services to reduce their costs to fit within their current allocation funding which is at 101% of optimal funding per the Florida Funding for Children Model.

2. Embrace Families is clearly a child and family focused lead agency however they need to operate within their budget. In times of financial crisis, management should triage their programs to minimize potential deficits.

3. Embrace Families should develop programs to reduce their reliance on Residential Group Care and examine their daily cost of care for the existing placements.

4. Embrace Families should seek re-investments and recoupments from other contracts (with discussion and agreement by the providers).

5. Embrace Families should act more swiftly when an agency begins to struggle. It appears that two years was a long time to extend help and support to a struggling Case Management Agency (CMA), despite which the CMA collapsed anyway.