Protocol for Requesting Risk Pool Funding

State Fiscal Year 2019-2020

This Protocol for Requesting Risk Pool Funding for state fiscal year 2019-2020 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 326 of the General Appropriations Act for state fiscal year 2019-2020 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 2017-2018 and 2018-2019).

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 2019-2020 if they meet the following criteria:

- The CBC projects an end of fiscal year deficit, inclusive of any carry forward deficit.
- The CBC will submit a SFY 2019-2020 Plan to Achieve Financial Viability to the Department's Office of CBC/ME Financial Accountability.
- The CBC has implemented its SFY 2018-2019 Financial Viability Plan with a high degree of fidelity.

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 **September 13, 2019**, the "Risk Pool Funding Application SFY 2019-2020."

Applications will be reviewed and prioritized in two phases. Phase I is intended for CBCs that are projecting a current year core deficit in excess of their expected available funds. Phase II, subject to funding availability, may provide an additional opportunity in Q3 to make a case to be considered for risk pool funding.

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 September 13, 2019.**

1.2 If the CBC and RMD cannot reach agreement on their application, they may call Patricia Medlock, Assistant Secretary for Child Welfare.

1.3 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.

1.4 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) Conduct an on-site, fact-finding visit as deemed necessary to confirm input and analysis from the applying Lead Agency (visits to sites are not required if visited in the last 24 months - final determination to be made by the Secretary and Deputy Secretary).
(d) 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.

(e) 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. Rating for both Family Support Services and Safety Management Services.
v. Report on technical assistance activities completed and remaining, and/or recommendations for future technical assistance.
vi. Access to the risk pool.

1.5 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 2019-2020

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: Eckerd Connect Community Alternatives Hillsborough

Region: Suncoast Contract No.: QJ3E0

Address: 100 N Starcrest Dr, Clearwater, FL 33765

Lead Agency Contact: Dr. Christopher Card Phone No.: 813.843.1827

Contract Manager: Jason Thomas Phone No.: 727.401.0587

This request is being submitted in response to a projected deficit at 6/30/2020 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 2019-2020:
   Projected Deficit: $4,430,278
   Amount of Risk Pool Funds Requested: $4.2M

2) Confirm that the amount of funding requested would be fully expended during Fiscal Year 2019-2020: ☒ Yes ☐No

3) State specifically how the Lead Agency would qualify for Risk Pool funds based upon the requirements in s. 409.990(7), F.S. (Appendix A):
   - The CBC projects an end of fiscal year deficit, inclusive of any carry forward deficit.
   - The CBC will submit a SFY 2019-2020 Plan to Achieve Financial Viability to the Department's Office of CBC/ME Financial Accountability.
   - The CBC has implemented its SFY 2018-2019 Financial Viability Plan with a high degree of fidelity.

4) How do you propose to use these funds to address or correct the underlying cause of the shortfall?

Eckerd Connects will utilize risk pool dollars to address funding shortages generated as a result of the increased population of youth placed in a licensed care setting. Risk Pool dollars will also *be used to off-set expenditures directly associated with the need to implement new service interventions that will help our agency achieve financial stability by the end of the contract year*. Eckerd Connects' Financial

Viability Plan and internal action plan addresses specific countermeasures that were launched this year (to include new service interventions) that will help ensure our agency's continued success in reducing overall expenses to include the reduction of youth placed in paid placement with a targeted focus on the reduction of youth placed in a residential group care setting. Circuit 13 Financial Viability Plan included multiple areas of focus to reduce the deficit, only a few have made a noticeable impact thus far. The areas Eckerd identified to try to reduce the deficit are as follows: Reduction in RGC, Increase in relative/non-relative placement, Increase in foster bed capacity, Increase in utilization of foster beds, Increase use of "conditions of return" to exit youth from paid license settings to in-home settings, Expand Prevention Contracts (specifically a status update on billing Medicaid for Medicaid billable services, status of Bethany Christian Services MOU, Communication regarding community services: How has the new ASO contract with Hillsborough County Children's Board helped achieve cost efficiencies, and outsource licensing and placement with CHN- has this had an impact on helping to stabilize youth in care/drive down OHC costs?

Eckerd has worked to reduce the number of youth in the system overall. However, with its capacity to exit being about 120 per month and entries being higher than exits, Eckerd has had to try to re-arrange its population from group care settings to foster or relative/non relative settings-which we recognize as not only being best for the children it serves, but the most financially viable plan. As such, we placed a special emphasis on reducing the number of youth ages 0-12 in group care which we have reduced from 109 down to 80 and are continuing to work to reduce the population. We have accomplished this through family finding efforts as well as working closely with CHN to plan around exits to match those in group care with traditional foster homes. Eckerd and CHN have increased foster bed utilization to about 82% and are continuing to make efforts to recruit additional foster families and bring new placement options online.

5) 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.

Historical Overview: Out of Home Care Analysis

As noted during prior year risk pool applications, FY16 was a defining year for Judicial Circuit 13, hereafter referred to as C13. During this fiscal year, C13 was one of several judicial circuits that experienced greater than a 20% net increase in new entries in to foster care. With a 23.4% spike in front door activity, the system of care experienced a net gain of 344 more youth receiving services (the equivalent of 20 additional case management caseloads). In addition, during FY16, removal rates in C13 were significantly higher than what was experienced across the State of Florida (Eckerd Connects 9.9 compared to statewide average 5.8), and the C13 removal rate remained high in FY17 at 9.1 compared to statewide average 5.6. The sustained front door activity resulted in another year of system growth yielding an additional net gain of 278 more youth in foster care (an additional 17 case management caseloads). During FYs 18 & 19, removal rates remained well above the statewide average (FY 18: 7.7 compared to statewide average of 5.3 and FY 19: 7.2 compared to statewide average of 5.1). With entries continuing to outpace the system's ability to exit youth, the trend experienced during FYs 18 &19 resulted in a net gain of 78 youth receiving services or the need to add 5 more case management positions to the system to manage the increased workload.

In summary, the sustained high rate of front door entries experienced by C13 during fiscal years 16-19, should have resulted in a minimum of 42 new case management positions being added to the system of care to ensure system stability and maintain the historically high performance achieved on contract metrics. Instead, in an effort to control cost and reduce the overspending of the contract, prior to FY18, Eckerd Connects chose to only add 20 additional case management positions, increase our investment in diversionary services, and implement several countermeasures to effectively increase our rate of exits from care. It should be noted that while our system of care continued to grow in the number of youth served during this timeframe, the rate in which the system was able to exit youth from care resulted in system expansion being reduced from a high of 344 in FY 16 to only 78 youth during FY19. We anticipate during the current fiscal year that Eckerd Connects will be able to exit youth at the same rate in which they are entering care thereby eliminating another year of system growth.

Since FY 18, our agency has recognized the need to re-think our strategic approach to achieving long term system stability in Hillsborough County. Eckerd Connects is keenly aware that our efforts thus far have not achieved the level of results needed to eliminate the need to request additional risk pool funding for the current fiscal year. As such, we have explored options to engage families and children prior to entering the system. Eckerd was successful in partnering with Hillsborough County to bring on an entirely new program designed to prevent children in Hillsborough County from entering the child welfare system. As the number one issue causing the net increase in children in the system is Eckerd's lack of capacity to safely exit children at a higher rate than they enter the system. This county program will hopefully decrease the number of front door entries and allow Eckerd Connects to reduce the overall stressors within the system. This grant also has a component that will help children in Residential Group Care step-down or achieve permanency resulting in a reduction of children in care. In an effort to augment contracted dollars, we have also restructured our array of services to achieve greater system support and accountability. We believe that with the added resources and strong strategic focus on increased exits and reducing our residential group care population, we will see significant progress in FY20 towards eliminating the need for risk pool support. Eckerd has engaged the community to help support our efforts to achieve these goals and the community has been responsive. This includes a workgroup with the court, OAG, GAL CMOs, and Casey Family Programs to track and monitor the safe exit of children from care. This group has made significant gains in reducing the number of children in-home placements over 15 months.

Evidence of our continued improvement can be seen in our performance on contract metrics during the last fiscal quarter and our ability to continue outpacing state averages for overall exits from care and timeliness to permanency. That said, FY19 was the first year that C13 did not surpass the benchmark of achieving 40.5% permanency for children by 12 months from removal. This decline coincided with a deterioration of the statewide average also below this standard during this time. It should be noted, however, that performance on the most recent Child Welfare indicators report reversed this trend and timely permanency was achieved at 46.9% for the most recent reporting period. This was the best performance amongst large CBC's on this indicator. It should also be noted that performance on prevention of re-entry also improved to 93.4% vs 88.8% statewide as of the same Key Indicators report (August 2019).

Eckerd Connects attributes this recent improvement to a number of countermeasures including the reintroduction of 9 month permanency staffings that had to be discontinued when previous entry rates required permanency staff to be reassigned, a system wide multidisciplinary joint initiatives attacking system level barriers to permanency, and a new fast-track to permanency process identifying cases for expedited return at the time of case transfer.

Finally, while the entry rate in SFY 2019 did return closer to historical norms, it remains elevated when compared to the statewide rates. In fact, per the most recent Child Welfare Key Indicators report, it was the highest in the state per 100 alleged victims at 7.62 versus a statewide average of 4.8 for the final quarter of the fiscal year. Eckerd is working with Hillsborough County on a new grant funded project to further reduce system entries.

The County grant will help Eckerd Connects achieve placement stability and help restore system stability in 7 strategic areas:

1. Proposed New Legislation to address ungovernable youth.
2. DJJ/DCF pilot programming for dually served youth to include implementation of DJJ Red Flag Staffings for dually served youth 12 and under.
3. Increased placement stability by mandating enhanced training for child care workers in facilities serving dually served youth.
4. Implementation of Crisis Stabilization and Assessment Unit & Implementation of Several Step-Down RGC Facilities for ungovernable youth.
5. Specialized Recruitment and Training for Foster Parents (Pressley Ridge treatment foster care model).
6. Developing Independent Living Mentors (youth who were previously in IL program) to help stabilize and support teen youth in foster care.
7. Partnership with Healthy Start and Healthy Families to engage mom's prenatally, at the hospital and with substance exposed infants and divert them from entry into the child welfare system.

Additional Out of Home Care Countermeasures: *System Actions to Limit OHC Rates During a Historic Removal Increase*

Eckerd Connects recognizes that since FY12 we have experienced gradual increases in our daily room and board rate for youth placed in foster homes and residential group care settings. In FY 2020, the average daily rate for a youth placed in foster care was $20.80 and the average daily rate for youth in residential group care was $166.92. Although we believe rate structures are in line with statewide averages, we recognize that we must control cost through rate capitalization and overall reductions in the number of youth served in out-of-home care. As such, we have implemented the following additional countermeasures:

1. Eckerd Connects has met with all Residential Group Care providers and shared there is no ability to **negotiate** a higher daily rate structure based on the acuity level of a youth in care.
2. Eckerd Connects has a moratorium on the ability to request an increase daily rate structure based on increased cost of doing business.
3. Eckerd Connects has implemented tighter internal controls regarding the ongoing review and approval of ancillary services that are designed to help a youth experience stability while in foster care (ex. One on one supervision).
4. As a result of historical performance issues with one of our C13 providers, Eckerd Connects will pursue an emergency procurement for case management services impacting approximately 1200 youth prior to the end of this fiscal year. Eckerd Connects will work directly with the new

provider to ensure greater accountability at all levels and help understand and address specific challenges faced by case management agencies in addressing performance outcomes.

Eckerd Connects has an ongoing HR workgroup whose strategic focus is to address case management turnover. This workgroup is comprised of HR representatives from each of our case management agencies. Eckerd Connects was also successful in obtaining an Eckerd Foundation Grant (National Foundation for Youth Grant) in the amount of $800K that will be used this year to pay stay-bonuses every quarter for case managers and supervisors that remain dedicated to helping our system regain stability. Staff will be eligible for the stay-bonus during every 90 days in which they are actively receiving and working cases.

Financial Overview

The projection for FY19-20 Child Welfare contract with July actuals is a deficit of $4,430,278. This projection does not include the projected Maintenance Adoption Subsidy (MAS) deficit but does include all current allocations of funding, as reported on the Schedule of Funds for contract #QJ3E0, effective July 1, 2019.

C13's total projected expenditures for the Child Welfare contract are $3.9 million greater than last year, however, $1.5 million is related to specialized funding (MAS, $1.2 million; Independent Living/Extended Foster Care, $264 thousand; and, Guardianship Assistance Program Payments, $102 thousand). Absent these expenses, the projected expenditures are $2.3 million or 4% greater than last year. The largest increase is in Contracted Services of $3.5 million greater than last fiscal year. However, $554 thousand or 2% of the increase is the USF Pre-Service contract that was moved to this category for fiscal year 2019-2020. The offset is in Operations & Support Center Allocations. One concern the Risk Pool Peer Review Committee had was related to the defragmentation of the Child Placing Agencies. Eckerd Connects outsourced Licensing and Placement to one agency which operated for 5-months during last year. An increase of $1.7 million or 7% of the increase is to annualize the funding. The offset is in Out of Home Care and Lead Agency Related. Also, the majority of the Guardian Assistance Program was sub-contracted totaling $863 thousand or 3% of the increase.

Lead Agency Related expenses increased $537 thousand or 7% greater than last fiscal year. This line includes the Guardianship Assistance Program and Family Finding which accounts for $316 thousand or 4% of the increase. Salaries and benefits for Guardianship Assistance positions total $205 thousand or 3% of the increase, and Family Finding positions total $111 thousand or 1% of the increase. Also included is a 25% refresh of computers for the Lead Agency and Case Management Organizations. An additional $92 thousand or 1 % of the increase is to replace aging computer that are out of warranty and breaking down.

	FY17-18	FY18-19	FY19-20 Jul Proj	$ Change	% Change
Lead Agency Related	7,661,656	7,375,822	7,912,723	536,901	7.28%
Client Related	2,330,781	2,240,590	2,063,120	(177,470)	-7.92%
Contracted Services	25,816,497	25,874,320	29,396,713	3,522,393	13.61%
Independent Living / Extended Foster Care	2,581,253	2,378,499	2,642,628	264,129	11.10%
Out of Home Care	20,847,874	22,747,369	21,997,326	(750,043)	-3.30%
Guardianship Assistance Program Payments			101,502	101,502	
Maintenance Adoptions Subisdies	18,961,219	19,742,860	20,914,690	1,171,830	5.94%
Operations & Support Center Allocations	4,034,470	3,604,044	2,787,162	(816,882)	-22.67%
	82,233,750	**83,963,504**	**87,815,864**	**3,852,360**	4.59%
Less:					
Independent Living / Extended Foster Care		2,378,499	2,642,628	264,129	
Guardianship Assistance Program Payments		-	101,502	101,502	
Maintenance Adoptions Subisdies		19,742,860	20,914,690	1,171,830	
		61,842,145	64,157,044	2,314,899	3.74%

The most significant impact Eckerd can make on reducing the costs associated with out of home care, other than to safely exit children from the system, is to place children with relative/non-relative caregivers. Currently, on initial placements, which are effectuated by the Sheriff's Office CPI unit in Hillsborough County, Eckerd is at 31% of youth being placed on initial placement with relatives or non-relatives. Eckerd increased its Family Finding unit to try to increase efforts subsequent to initial placements and move children in to relative or non-relative placements. Currently, Eckerd is at 57% of its population being placed with relatives and non-relatives which is near the statewide average but below the department set goal of 65% in relative and non-relative settings. Additionally, Eckerd has increased its efforts to move youth ages 0-12 from group care settings and place in traditional foster home settings or in to a relative or non-relative placement. In doing so, Eckerd decreased this number from 109 in April to 80 as of August 2019.

Please confirm the following:

The Lead Agency will submit a SFY 2019-2020 Financial Viability Plan.

☒ Yes ☐ No

The Lead Agency has actively worked its SFY 2018-2019 Financial Viability Plan.

☒ Yes ☐ No

Did the Lead Agency receive Risk Pool funding in SFY 2018-2019?

☒ Yes ☐ No

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

Lead Agency CEO/ED Signature

09/13/2019
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.