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 Pasco/Pinellas

Region: Suncoast Contract No.: QJ511

Address: 100 N Starcrest Dr, Clearwater, FL 33765

Lead Agency Contact: Brian Bostick Phone No.: 727.359.3646

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: $7,495,327
   Amount of Risk Pool Funds Requested: $7.4M

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):
   Eckerd Connects is eligible to pursue risk pool funding based on the meeting 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.

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 for the FY2018-2019 included several initiatives, to include the following areas: reduction in paying for APD youth; increase relative/non-relative placement; increase foster bed; increase utilization of foster beds; increase % of children served in-home; reduction in RGC; and a reduction of 10% in licensed OHC.

Eckerd Connects made progress in some areas identified, to include enrolling eligible children on the Medicaid Waiver through APD. The foster home capacity has increased in Circuit 6, realizing a net increase of 61 traditional foster home beds through June 30, 2019. During Fiscal Year 2019-2020 through August, there has been a net increase of seven homes. 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.

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, FY17 was a defining year for Judicial Circuit 6, hereafter referred to as C6. During this fiscal year, C6 was one of 5 judicial circuits that experienced a significant increase in the entry rate of new youth entering foster care. With FY17 removal rates averaging 6.7 compared to the statewide average of 5.6, C6 experienced a 10% increase in entries (when compared to FY16 (per DCF Dashboard '*Removals per 100 Alleged Victims*')) representing the highest front door activity experienced by the system of care since the contract was awarded in July of 2008.

In most child welfare systems, the workload associated with a 10% increase in total entries can be naturally absorbed within the system of care with some minor adjustments to the array of services and slight increases in the number of funded case management positions. However, with C6 being recognized as one of the lowest funded jurisdictions in the State of Florida, this created a challenge and no system enhancements (specifically increases to resources) were able to be implemented during a critical time of need. Instead, Eckerd Connects identified and implemented several countermeasures that we believed would result in increased exits that would off-set the growth spurt experienced and assist our system of care to achieve an overall reduction in system of care costs. Unfortunately, our assumptions did not hold true and our child welfare system was further impacted by a reduction in child exits by 8%. When looking at the 10% increase in entries during FY17, coupled with the 8% reduction in exits, the result was a net increase in total youth served of 252 children (per FSFN report '*Children Entering and Exiting Foster Care On Demand Summary*') (the equivalent of 13 case management caseloads based on the risk pool team's recommendation of shifting from a 1:18 to 1:20 case manager to child funding ratio).

In hindsight, Eckerd Connects should have funded no less than 13 more case management positions back in 2017 to handle the increased volume of youth served by the system of care. This did not occur at the time because our agency did not want to increase the growing deficit. The result of our actions had a significant impact on the ability of our case management agencies to remain abreast of system demands. The increased work load experienced by all case managers across the system of care resulted in increased turnover and increased system stress during this critical time.

During FYs 18 & 19, C6's entry rates remained relatively flat with removal rates still pacing ahead of the statewide average (FY18 removal rate 6.3 compared to statewide average of 5.3 and FY19's removal rates were 6.2 compared to statewide average of 5.1 (per DCF Dashboard '*Removals per 100 Alleged Victims*')). Despite entry rates remaining relatively high, Eckerd Connects has been successful in both years outpacing the 8% drop in exits experienced during FY 17.

We acknowledge that timely permanency within 12 months of removal also dropped below the 40.5% threshold required in both SFY 18 and SFY 2019. Eckerd believes this was impacted by repurposing operations staff whose primary focus had been timely permanency prior to the increase in removals to case transfer oversight of new children coming in. We have now invested in 4 new staff to manage case transfers thereby freeing up these staff to rededicate themselves to permanency solely as they had been in the many successful years ending SFY 2017.

Our agency is keenly aware of the need to continue to increase our exit rates which will have a direct impact on the reduction of costs. Since the last Risk Pool site visit, we have invested more dollars into our system of care (inclusive of grant funds) so that we can achieve better results, reduce the need for future risk pool asks, and build a long-lasting solid foundation that will result in the best possible outcomes for the children and families served.

Current Situation:

Risk Pool Recommendations:

Since our last risk pool site visit, there were six recommendations made by the Risk Pool Team to assist Eckerd Connects overcome our fiscal and programmatic challenges. Captured below is a recap of each of the recommendations and where we are with system implementation:

Risk Pool Recommendation	Eckerd Connects Status Update
1. Fund Case Management at a 1:20 case manager to child ratio (instead of 1:18) with the goal of achieving a long-term goal of 1:17.	1. Eckerd Connects took steps to move in this direction by funding the system during FY20 at a rate of 1:19 instead of the previous structure of 1:18. Eckerd Connects did not move to a 1:20 ratio during FY20 because it would have resulted in the reduction of funding from case management agencies during a time of critical need. Case management turnover was at an all-time high and shifting to 1:20 would have resulted in increased workloads and the potential for even higher turnover rates.

2. Develop an Action Plan in Conjunction with the Sheriff's Offices to improve utilization of diversion services as a safe alternative to removals. Develop a more robust diversion program to reduce removals.	2. Eckerd Connects secured a ResWrap Grant that enhances our diversion model and more effectively addresses the reduction of youth in paid placement. The ResWrap grant went into effect this fiscal year and is expected to help Eckerd experience a net reduction in youth served in RGC by 20 youth. With an average RGC daily rate of $147.53, Eckerd Connects can expect a six-month cost savings of no less than $360,000.
3. Develop a detailed plan to increase the number of children exiting for permanency within 12 months.	3. Eckerd Connects has worked with each of our system of care partners to develop a plan to increase overall exits. Since May of 2019, countermeasures have proven effective and Eckerd Connects has been successful in exiting more children each month than the number entering care, thereby, reducing the total population served since June netting a reduction of 38 children over 3 months. With this level of momentum, we believe that our system of care is well on its way to stabilization. We are anticipating significant improvements in reducing system stress by the end of this fiscal year. Eckerd Connects is also strategically focused on increasing the timeliness of exits within 12 months.
4. Increase Licensed Foster Care	Since FY 17, Eckerd Connects has been successful in achieving a net gain in foster bed capacity: FY17 Net decrease in Foster Homes of 23/net increase in bed capacity of 23 FY18 Net increase of 18 foster homes/39 foster beds FY19 Net increase of 18 foster homes/61 foster beds
5. Reduce Residential Group Care Population with a particular focus on youth ages 6-12	Over the course of the last 12 months (7/31/2018 to 7/31/2019), Eckerd Connects has failed to have a significant impact in the reduction of youth placed in Residential Group Care maintaining an average of approximately 11.22% compared to the statewide average of 8.89%. Eckerd Connects did experience some incremental improvements during the 4th quarter

	of last fiscal year, and recognizes that we must maintain consistency achieving gains. Our agency has also struggled to effectively reduce the number of youth served in RGC settings that are ages 6-12. Our average performance is 12.27% compared to the SW average of 9.16% (child welfare indicator report data 7/31/18-7/31/19). In October of 2019, Eckerd Connects will launch a new program called, YAP (Youth Advocate Program). This program is grant funded and will focus on stepping down or exiting from paid placement, 20 RGC youth that are high utilizers of services. We anticipate achieving significant cost savings associated with this program by June 30, 2019 (anticipate six months of net cost savings in RGC of no less than $300,000).
6. Implement A Family Finder's Team	6. During FY19, Eckerd Connects funded a Family Finders Team inclusive of a unit supervisor and five Family Finders Specialists. This resulted in additional expenses of $301,884.00. This team was fully staffed as of September 1, 2019. Eckerd Connects anticipates it will take a minimum of six months to achieve the desired outcome associated with this recommendation. Eckerd is already projecting to spend $320K less in OHC expenses this FY and we believe the cost savings will increase over time.

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 $20.43 and the average daily rate for youth in residential group care was $147.53. 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 existing 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. On-on-one supervision).
4. Eckerd Connects is releasing a new ITN for Diversion Services in January of 2019. This new model is an evidence based program that has a proven history of effectively reducing the rate in which children are entering foster care.
5. As a result of historical performance issues with one of our C6 case management providers in Pinellas, Eckerd Connects will be transitioning this service in-house so that we can have greater accountability at all levels and help understand and address specific challenges faced by case management agencies in addressing performance outcomes.
6. 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.
7. Additionally Eckerd has partnered with USF School of Social Work to create an internship program that results in the intern taking the pre-service exam at the end of their internship and if they pass they are exempt from the pre-service training and have agreed to no less than one full year as a case manager.

Financial Overview

The projection for FY19-20 Child Welfare contract with July actuals has an annual deficit of $7,495,327. This projection does not include the projected Maintenance Adoption Subsidy (MAS) surplus but does include all current allocations of funding, annualized, as reported on the Schedule of Funds for contract #QJ511, effective July 1, 2019.

C6's total projected expenditures for the Child Welfare contract are $3.6 million greater than last year, however, $897 thousand is related to specialized funding (MAS, $385 thousand; Independent Living/Extended Foster Care, $422 thousand; and, Guardianship Assistance Program Payments, $90 thousand). Absent these expenses, the projected expenditures are $2.7 million or 5% greater than last year. The largest increase is in Lead Agency Related expenses of $2 million or 24% greater than last fiscal year. This line includes the Guardianship Assistance Program and Family Finding (as recommended by the Peer Review Committee) which accounts for $1.3 million or 16% of the increase. Salaries and benefits for Guardianship Assistance positions total $993 thousand or 12% of the increase, and Family Finding positions (recommended) total $302 thousand or 4% of the increase. In FY18-19 C6 cut three positions at the beginning of the fiscal year to reduce expense. The elimination of these positions had a direct impact on the decline in performance. Therefore, the three positions have been reinstated with salaries and benefits totaling $167 thousand or 2% of the increase.

Contract Services expenditures are $1.7 million or 8% greater than last fiscal year, however, $554 thousand 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 Peer Review Committee had was the retention of cases managers. The increased need to transport children, has played a major role in not retaining case managers. The ineffective on-call transportation contract was cancelled and funding for two family support workers was provided to each CMO. The net financial impact was $281 thousand. Also, $439 thousand has been invested in Day Treatment and Stabilization Services for children refusing to attend school.

	FY17-18	**FY18-19**	**FY19-20 Jul Proj**	**$ Change**	**% Change**
Lead Agency Related	8,171,583	8,202,405	10,179,685	1,977,280	24.11%
Client Related	1,341,562	1,776,613	1,472,622	(303,991)	-17.11%
Contracted Services	19,946,072	19,679,196	21,331,326	1,652,130	8.40%
Independent Living / Extended Foster Care	1,887,543	2,129,848	2,552,250	422,402	19.83%
Out of Home Care	17,196,972	21,142,193	21,172,354	30,161	0.14%
Guardianship Assistance Program Payments			89,654	89,654	
Maintenance Adoptions Subisdies	20,625,557	22,219,658	22,604,268	384,610	1.73%
Operations & Support Center Allocations	3,467,093	3,595,857	2,966,854	(629,003)	-17.49%
	72,636,382	**78,745,770**	**82,369,014**	**3,623,244**	4.60%
Less:					
Independent Living / Extended Foster Care		2,129,848	2,552,250	422,402	
Guardianship Assistance Program Payments		-	89,654	89,654	
Maintenance Adoptions Subisdies		22,219,658	22,604,268	384,610	
		54,396,264	57,122,841	2,726,577	5.01%

Lead Agency Name: Eckerd Connect Community Alternatives Hillsborough

Region: Suncoast Contract No.: QJ3E0

Lead Agency CEO/ED Name: Click here to enter text.

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.*

9/13/2019

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 years' 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.