Risk Pool Peer Review Committee Report
Kid's Central, Inc.
Fiscal Year 2017/2018

Kid's Central, Inc. (KCI) submitted an application for risk pool funding on September 15, 2017. The application was subsequently reviewed by the Central Region and with the concurrence of the Regional Managing Director was submitted to the Office of Child Welfare.

The department established a Risk Pool Peer Review Committee pursuant to section 409.990(7), F.S. and consistent with the department's Risk Pool Protocol of August 30, 2017. For fiscal year 2017-2018, the Risk Pool application process was informed by lessons learned from the 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 322 (Chapter 2017-70, L.O.F) for fiscal year 2017-2018. In compliance with this proviso language the department completed a comprehensive, multi-year review of the revenues, expenditures and financial position of all Community-Based Care lead agencies including a comprehensive system of care analysis. This submission also included financial viability plans from all lead agencies.

The Risk Pool Protocol provided for priority consideration for any lead agency with increased removals based on a 12-month moving average from June 2015 to June 2017. This criterion was based on the experience from prior year reviews that found that significant increases in removals were a key indicator of financial vulnerability for a lead agency. Tier one for priority consideration was lead agencies with an increase in removals of 11% or more. Based on analysis of relevant data, KCI was in Tier 1 for priority consideration with increased removals of 11%.

The Risk Pool Protocol further provided that site visits would be required if no Risk Pool Peer Review site visits had been held in the past 12 months. A Peer Review Committee conducted a site visit on March 24th, 2017, therefore this report updates the prior year report which is attached for reference.

This report also includes a review of relevant contextual information regarding caseloads, financial history and performance as reflected in the comprehensive report referenced above, the Financial Viability Plan, progress made on last year's Risk Pool recommendations and updated financial and programmatic trend data.

This updated report is designed to meet the direction of the statute and departmental protocol in order to:

1. Review, analyze, and discuss the application.
2. Verify the accuracy of the data being reported by the Lead Agency.
3. Conduct an on-site, fact-finding visit to confirm input from the applying Lead Agency (if a visit has not occurred in the last 12 months).
4. 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.
5. 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:
   a. Amount of funding and mix of funds to be made available.
   b. Limitations or requirements on use of additional funding that are linked to correction of factors that caused the shortfall.
   c. Any follow-up actions or additional documentation needed from the Lead Agency or Region.
   d. Report on technical assistance activities completed and remaining, and/or recommendations for future technical assistance.
   e. Access to the risk pool or back-of-bill funding.

This updated information is organized in seven areas similar to the organization of last year's report.:

1. Findings related to the need for services and commitment of resources.
2. Findings related to protective services including removals, referrals for post-investigative services, activities to protect children without removal and use of resources focused on prevention and intervention.
3. Findings related to provision of services for children in care (both in-home and out-of-home).
4. Findings related to exits from care including exits to permanence.
5. Findings related to funding, fiscal trends and fiscal management.
6. Findings related to overall management.
7. Other factors or considerations noted on the application or determined relevant by the Peer Review Committee.

The following summarizes the updated findings. Almost all of the challenges noted in the original report still exist, so this addendum only contains significant updates or changes.

1. **Findings related to the need for services and commitment of resources**

   KCI is in Circuit 5 which includes Citrus, Hernando, Lake, Marion and Sumter counties. The Child Protection Investigation function and Children's Legal Services functions are performed by DCF. KCI has been the Lead Agency since 2004.

2. **Findings related to protective services including removals, referrals for post-investigative services, activities to protect children without removal and use of resources focused on prevention and diversion.**

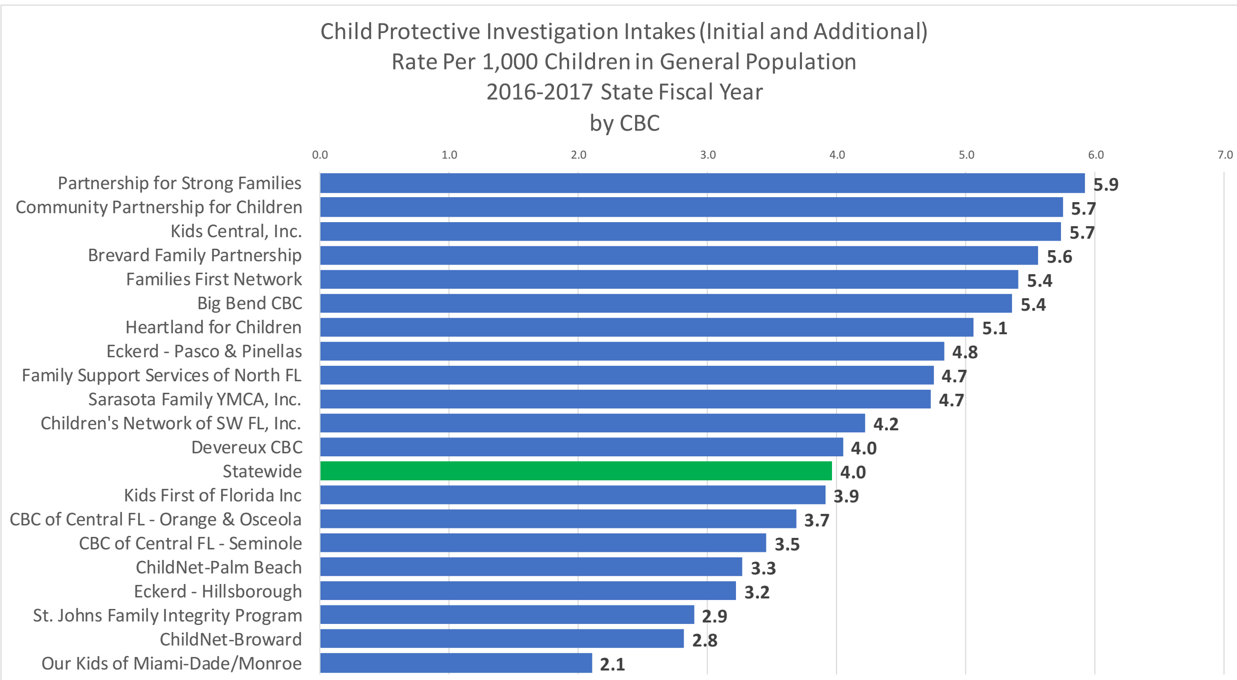
   As indicated by the charts below, KCI experienced in increase in average monthly removals from SFY 2015 to SFY 2016. Removals then declined in SFY 2017 though not back to SFY 2015 levels. SFY 2018 levels are almost the same as SFY 2017. Investigations did increase at a higher percentage than the rest of the state so some of the increase may have been due to this volume increase. Note that during SFY 2016 the removal rate increased above the statewide average but has now dropped back below.

	Investigations Received - Monthly Averages			
County	Thru Aug 2017	SFY 2017	SFY 2016	SFY 2015
Citrus	169	173	155	157
Hernando	166	170	174	161
Lake	253	296	264	261
Marion	427	416	382	356
Sumter	52	54	54	54
CBC	***1,065***	***1,110***	***1,028***	***988***
Change	-4.0%	7.9%	4.1%	
State	***15,147***	***16,395***	***15,935***	***15,542***
Change	-7.6%	2.9%	2.5%	

	Removals - Monthly Averages			
County	Thru Sep 2017	SFY 2017	SFY 2016	SFY 2015
Citrus	13	14	13	18
Hernando	18	21	27	14
Lake	6	15	18	14
Marion	46	39	38	33
Sumter	9	4	8	4
CBC	***92***	***93***	***104***	***82***
Change	-0.8%	-10.7%	26.1%	
State	***1,333***	***1,422***	***1,428***	***1,416***
Change	-6.3%	-0.4%	0.9%	

	Removal Rates - per 100 Alleged Victims			
	Thru Sep 2017	SFY 2017	SFY 2016	SFY 2015
KCI	6.58	6.26	7.73	6.43
State	6.74	6.66	7.09	7.13

The chart bellows provides context for the rate of intakes relative to the general population and the rest of the state; KCI is well above the statewide average.



The prior year report recommended a review of removals related to cases that were originally in-home non-judicial (#5). That review indicated that a conclusion could not be reached as to whether "they are effectively engaging the families to allow the children to remain safely in the home while services are delivered". The reason for this is that the time to case transfer was taking too long (some driven by vacancies and CPI workload) so there was not opportunity to engage the family before the removal decision was made. Currently, C5 has the lowest YTD turnover rate in the region, CPI workload is at a very reasonable level which will support more timely case transfers to services. Both the CBC and the Region are committed to improving timeliness for case transfers.

KCI spent about 5% on Prevention / Family Support services in SFY 2017 compare to the statewide average of 7%. Many of the prior year risk pool report recommendations (1, 2, and 4) focused on effective utilization of front-end services. Per CBC and region leadership, while there are always improvements to be made, the utilization of front-end services has improved greatly in the recent year. One piece of information shared was that many of the programs are very close to capacity, or have waitlists for short periods of time. It is believed that the removals in the prior 9 months would actually have been higher had these services not been effectively utilized.

The prior report recommended considering the use of multidisciplinary decision support teams (#3). Per CBC and Region leadership, their joint efforts to increase safety management referrals, improved levels of referrals, and incorporation of Rapid Safety Feedback process do not necessitate the return of the DST process and would be a duplication of effort.

3. **Findings related to provision of services for children in care (both in-home and out-of-home).**

   The In-Home census had been declining since SFY 2015 with little change in SFY 2018 (though still at a much lower level than SFY 2015). The Out of Home Care (OOHC) census increased slightly in SFY 2016 and then significantly in SFY 2017 and continues to increase slightly in SFY 2018.

	Ending Census			
KCI	9/30/17	6/30/17	6/30/16	6/30/15
In Home	695	693	783	997
RCG	730	743	795	588
nRCG	211	164	172	121
FFH	541	537	445	366
RGC	134	132	125	78
Other	52	39	23	26
Total OOHC	1,668	1,615	1,560	1,179
OOHC Change	*3.7%*	*22.2%*	*3.9%*	

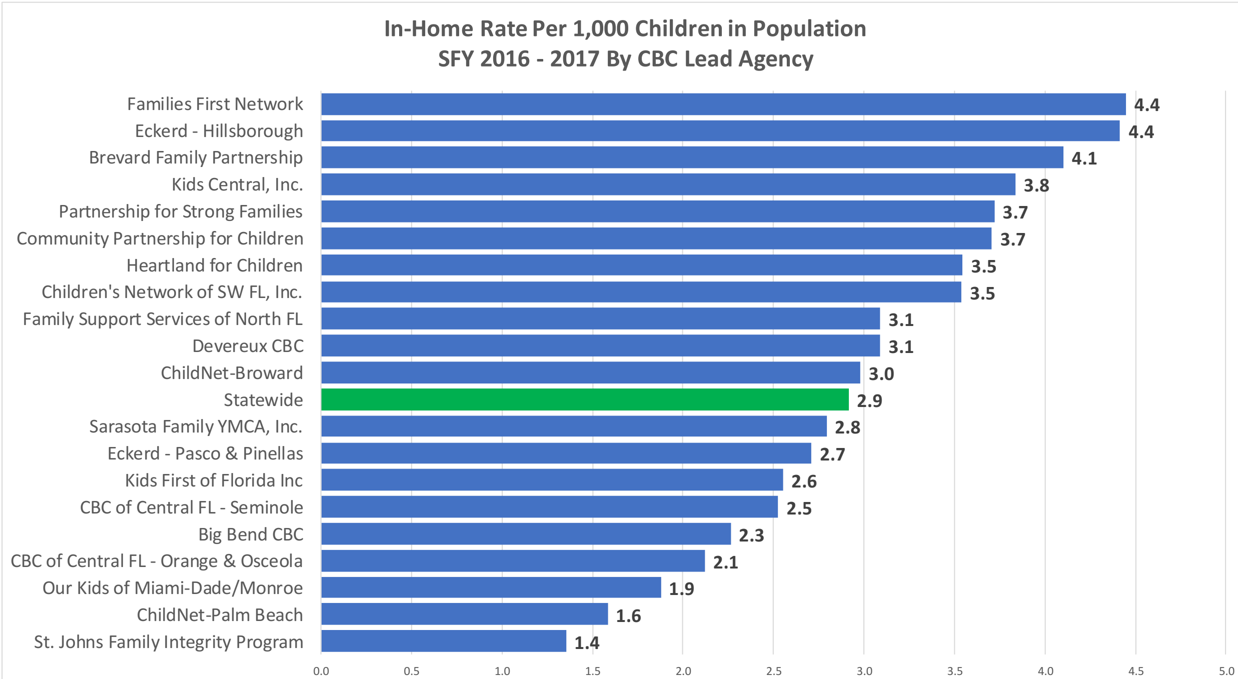
   Percentages of children in OOHC by placement type shows KCI very close to the statewide average for relative (RCG) and non-relative caregiver (nRCG) placements, above the statewide average for family foster homes, and below for Residential Group Care (RGC). The break-out in RGC by age cohort shows that the percentage is lower for all ages. KCI places 64.8% of children outside of the county and 12.6% outside of circuit compared to statewide averages of 35.7% and 18.4%, respectively.

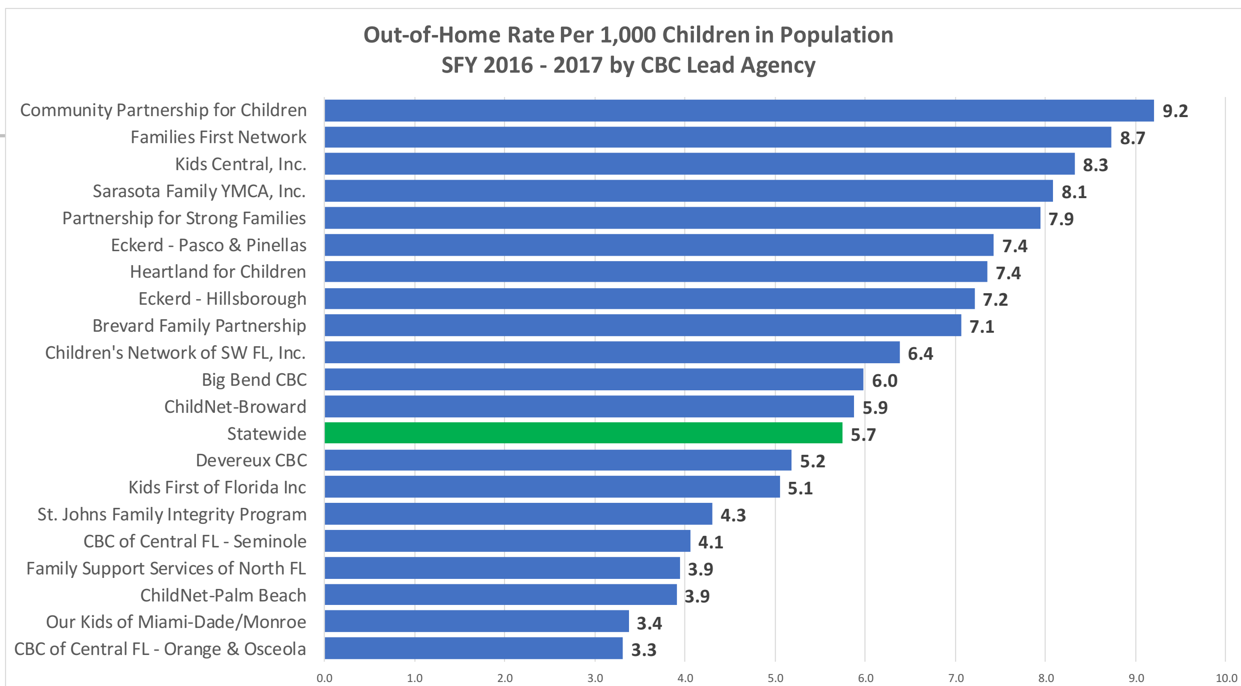
	% by Placement Type			
KCI	9/30/17	6/30/17	6/30/16	6/30/15
RCG	43.8%	46.0%	51.0%	49.9%
nRCG	12.6%	10.2%	11.0%	10.3%
FFH	32.4%	33.3%	28.5%	31.0%
RGC	8.0%	8.2%	8.0%	6.6%
Other	3.1%	2.4%	1.5%	2.2%
State				
RCG	44.6%	45.1%	45.0%	44.6%
nRCG	12.1%	11.9%	11.2%	10.7%
FFH	29.7%	29.1%	29.3%	30.5%
RGC	9.0%	9.2%	10.0%	10.1%
Other	4.7%	4.7%	4.4%	4.1%

The prior year report recommended continuing to focus on monitoring use of RGC (#6). At the time of the report, the % of children in RGC was 9.4%. As noted above, KCI was recently at 8%, thus, has made progress since the last report. More will need to be done in both the overall number of children in OOHC and the % in RGC to eliminate future deficits.

Age Cohort	KCI	State
0 to 5	1%	3.4%
6 to 12	21.8%	25.7%
13 – 17	59.3%	62.9%

The following charts show context for In-Home and OOHC by child population relative to the rest of the state.





4. Findings related to exits from care including exits to permanence.

Three key permanency indicators relate to the percent of children in care who achieve permanency within 12 months, the percent in care for 12 to 23 months who achieve permanency within an additional 12 months and the percent in care for 24 or more months who achieve permanency within an additional 12 months. The chart below shows the percentage for each measure currently as well as from December 2016.[1] Performance has declined for children exiting in 12 months.

Measure	National Standard	KCI (prior report, current)	Statewide (prior report, current)
Children Achieving Permanency within 12 months of removal	40.5%	42%/38.8%	42.9%/39.1%
Children in Care 12-23 Months Who Achieved Permanency within an Additional 12 Months.	43.6%	42%/44.6%	53.9%/53%
Children in Care 24 or More Months Who Achieved Permanency within an Additional 12 Months.	30.3%	32.4%/38.2%	40.8%/36.9%

Recent data shows that KCI has a slightly higher percentage than the state of children who have been in care for longer than 18 months. Also note that average monthly discharges for SFY 2018 are lower than the prior 2 years.

Percent of Children in OOHC by current Length of Stay		
	0-17	18+
ChildNet-Broward	60.16%	39.84%
Community Partnership for Children	62.49%	37.51%
ChildNet-Palm Beach	63.93%	36.07%
Brevard Family Partnership	66.07%	33.93%
Families First Network	66.26%	33.74%
Our Kids of Miami-Dade/Monroe, Inc	67.09%	32.91%
Kids Central, Inc.	68.87%	31.13%
Eckerd Community Hillsborough	69.22%	30.78%
Big Bend CBC	71.54%	28.46%
Community Based Care of Central Fla	71.79%	28.21%
Community Based Care of Central Fla (Seminole)	71.96%	28.04%
Kids First of Florida, Inc.	72.66%	27.34%
Family Integrity Program	72.73%	27.27%
Sarasota Y/Safe Children Coalition	74.20%	25.80%
Eckerd Community Alternatives	74.95%	25.05%
Childrens Network of SW Florida	75.08%	24.92%
Heartland for Children	76.40%	23.60%
Devereux CBC	76.85%	23.15%
Partnership for Strong Families	79.46%	20.54%
Family Support Services of North Fla	81.79%	18.21%
Grand Total	70.33%	29.67%

	Average Monthly Discharges			
	Thru Sep 2017	SFY 2017	SFY 2016	SFY 2015
KCI	73	87	75	68

[1] Child Welfare Key Indicators Monthly Report, October 2017.

There are three key standards for timeliness of judicial handling that are tracked monthly. For children with a disposition in the period July 1, 2016 through June 30, 2017, the median number of days from shelter to disposition in Circuit 5 was 65 days compared to the statewide median of 60 days. Median days from Termination of Parental Rights (TPR) to Entry of Final Order was 139 days compared to the statewide median of 154 days. On the measure of the percentage of children with a goal of reunification extended past 15 months and no TPR activity, Circuit 5's percentage was 7% compared to the statewide average 6.9%.

CBC and Region leadership acknowledge the progress made on the front-end of the system and agree that there are issues to be addressed on the back-end of the system. Specifically, as in many parts of the state, conditions for return is not yet the "way of work" – there is still a focus on case plan compliance. The CBC and Region discussed joint efforts to educate staff and stakeholders about this.

The judiciary was noted to be slow in issuing orders and setting dates. In addition, there is a sense that CLS attorneys could be more aggressive in the courtroom in a way that would speed up permanency.

5. Findings related to funding, fiscal trends and fiscal management.

The Core Services Funding for KCI increased by ~$1.0M in SFY17/18 however this was partially offset by the loss of ~$566 in non-recurring funding for Safety Management Services. Due to the allocation of additional funding in late SFY16/17 of $1.27M and an Independent Living surplus of ~$164K, KCI has $525K in carry forward funds from SFY16/17 to use in SFY17/18.

Total Funding

DCF Contract Funds Available (by Fiscal Year)	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
Core Services Funding	$36,818,126	$36,473,968	$38,204,407	$37,288,333	$37,633,982	$38,666,497
Risk Pool Funding	$0	$0	$0	$0	$0	$0
CBC Operations "Back of the Bill" Funding	$0	$0	$0	$0	$1,270,073	$0
Other Amendments to Initial Allocations	$32,249	$473	$22,974	$216,228	$8,067	$0
Amended Core Services Funding	**$36,850,375**	**$36,474,441**	**$38,227,381**	**$37,504,561**	**$38,912,122**	**$38,666,497**
Funding not defined as core servcies funding						
Independent Living (IL and Extended Foster Care)	$1,486,379	$1,486,379	$1,486,379	$1,486,379	$1,486,379	$1,189,103
Children's Mental Health Services (Cat 100800/100806)	$405,030	$405,030	$405,030	$405,030	$405,030	$405,030
PI Training, Casey Foundation or other non-core svcs	$0	$0	$0	$0	$0	$0
Safety Management Services (Nonrecurring)	$0	$0	$0	$0	$565,596	$0
Total at Year End	**$38,741,784**	**$38,365,850**	**$40,118,790**	**$39,395,970**	**$41,369,127**	**$40,260,630**
Maintenance Adoption Subsidy (MAS)	$6,877,742	$7,270,537	$7,397,640	$7,947,056	$8,169,220	$8,341,275
MAS Prior Year Deficit	$0	$0	$0	-$191,121	$0	$0
Carry Forward Balance from Previous Years	$3,374,461	$2,388,645	$2,101,049	$2,774,045	$2,084,356	$525,144
Total Funds Available	**$48,993,987**	**$48,025,032**	**$49,617,479**	**$49,925,950**	**$51,622,703**	**$49,127,049**

Expenditures for licensed care (Family Foster Home Care and Facility Based Care) have increased every year since SFY14/15 when KCI reported spending $5.2M for all licensed care. Total licensed care expenditures for SFY16/17 were $11.55M. Per KCI's 1st Quarter (Q1) Spending Plan, KCI projects to spend $11.96M in SFY17/18.

Expenditures on Core Services and Administration

Reported Expenditures by Fiscal Year	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17
Administrative Costs	$2,203,006	$2,159,359	$2,213,698	$1,863,147	$1,618,186
Admin Cost Rate (Exp as % of Total Allocations)	4.8%	4.7%	4.7%	3.9%	3.3%
Core Services Expenditures					
Dependency Case Management	$23,831,851	$22,405,044	$23,219,541	$21,813,678	$21,678,882
Adoption Services Promotion & Support	$590,153	$571,303	$514,070	$470,874	$259,333
Prevention/Family Support/Family Preservation	$4,722,674	$4,444,005	$2,646,106	$2,406,374	$2,138,713
Client Services	$2,544,718	$2,835,175	$3,760,329	$3,262,182	$2,753,280
Training - Staff and Adoptive/Foster Parent	$537,755	$520,525	$674,511	$1,507,839	$1,547,264
Licensed Family Foster Home Care	$2,200,318	$2,213,386	$2,415,986	$2,948,760	$4,985,652
Licensed Facility Based Care	$3,045,034	$3,392,587	$3,929,979	$5,368,562	$6,572,689
Other	$240,631	$250,016	$393,863	$353,114	$1,265,023
Core Services Expenditures	**$37,713,135**	**$36,632,041**	**$37,554,386**	**$38,131,383**	**$41,200,836**

In their SFY17/18 risk pool application, KCI requested $2,283,089 in risk pool funds indicating that these funds are needed to cover out-of-home care costs associated with the increase in removals within their Circuit.

While the KCI Q1 spending plan projected a deficit of $2,447,454; it also included a projected MAS deficit and under counted their carry forward balance from SFY16/17 to SFY17/18. **Since DCF has additional MAS funds to allocate in SFY17/18, the adjusted projected deficit is $1,660,389.**

The projection includes increases for extended foster care and independent living due to clients turning eighteen (18) years of age during the fiscal year. No projected increases indicated for case management services.

While the current deficit projection represents 4.3% of KCI's recurring core services funding, they should be able to manage cash flows until June. Without receiving any risk pool funds and depending upon the timing of payments, KCI may have to use a combination of delaying payments to providers, accessing a line of credit, and/or requesting expedited payment of monthly invoices from the State.

6. Findings related to overall management.

The communication issues noted in the prior year report were not evident in the discussions with CBC and Region leadership.

7. Other Findings and Considerations – Financial Viability Plan

The Financial Viability Plan submitted by KCI describes the increase in removals and resulting OOHC increase as the driver of increased costs. Their Action Plan contains the following:

- Decrease OOHC by 10%

    - Implement family support services for unsafe non-judicial families
    - Reduce entries to OOHC
    - Increase discharges to permanency by utilizing conditions for return
    - Permanency staffings
- Ensure children in OOHC are served in the least restrictive setting

Summary of Findings and Conclusions

- KCI has made good progress on the recommendations in the prior year report related to front-end services (see section 2), as well as the one related to RGC (see section 3). In addition, they have considered the remaining 2 recommendations thoughtfully (see section 3)
- KCI is now struggling with managing the back-end of the system effectively; OOHC continues to increase at a pace faster than the removal increases indicating an increase in length of stay. There are multiple factors impacting the back-end issue but lack of use of conditions for return and delays in the judiciary process are two of the most significant.
- KCI is projecting a $1.66m deficit but some of this deficit may be more related to the increase in length of stay (see Attachment 1) than as a direct result of increased removals.

Recommendations

The Peer Review Committee recommends that KCI be considered for risk pool funding at an updated projected deficit level (see Attachment 1 for further discussion). All funding is contingent upon the agreement of the Region and the Lead Agency to implement the following:

1. KCI and the Region should continue work on a faster case transfer process.
2. KCI should review their financial projections and work with the DCF Office of CBC/ME Financial Accountability to ensure they are as accurate as possible.
3. KCI and the Region should continue to work with staff and stakeholders on understanding and utilizing conditions for return.
4. KCI and the Region should continue to work together to appropriately address issues related to the judiciary.

ATTACHMENT 1 – Assessment of reasonableness of request

Prior to SFY 2016, removals were about 984 with a resulting OOHC census of 1179, which indicates an average length of stay of about 14 months. In SFY 2016, removals increased by 22 per month (264 per year) and in SFY they were still above the SFY 2015 level by about 11 per month (132). This sustained increase in removals will first impact variable client costs (licensed care and other client services) and then may impact case management costs if caseloads become too high, either due to volume alone, or a combination of volume and increased turnover. Increased turnover creates a situation where fewer case managers can carry full caseloads so while average caseloads may look manageable, the number of case managers with high caseloads is too high.

While removals in SFY 2016 were 264 higher than SFY 2015, OOHC increased by 381 – an indication that the back-end of the system began to struggle (and moving to an average length of stay closer to 15 months). When removals decreased in SFY 2016 (though not to the SFY 2015 level), OOHC continued to increase – by 55. This indicates moving to an average length of stay close to 18 months.

In assessing the reasonableness of the risk pool request, we look at the expected impact of the removal increase on OOHC and related variable costs. Assuming an average length of stay of 15 months (slightly higher than historical levels), we estimate the fiscal impact of SFY 2018 as follows:

- For the SFY 2016 increased removals of 264, all but 3 months would have cycled out if the system prior to SFY 2018, resulting in the 7/1/2018 census of that cohort of about 66, or an annual average daily census (ADC) impact of 33.
- For the SFY 2017 increased removals of 132, all would be in the SFY 2018 beginning census and 3 months (33) would remain at 6/30/2018, resulting in an ADC impact of 82.5
- For the expected continued SFY 2018 increase of 120, the ADC impact would be 60. Thus, the total ADC impact would be 175.5.
- The total ADC impact of 175.5 is assumed to be placed in licensed care at the same rate as SFY 2015 – 39.8%, resulting in an ADC impact on licensed care of 70.
- The average cost per licensed care placement on SFY 2015 was $1271 per month which would result in an annual impact of $1.1m.
- The average cost per client for other client services (OCS) in SFY 2015 was $1810 so the impact on the 175.5 census would be an additional $318k, thus, all things being equal, a reasonable risk pool request would be $1.4m
- KCI received a net increase in core funding in SFY 2018 of $467k which is higher than the SFY 2015 funding level by $462k. They also have a $525k carry forward available. If we assume that both the increased funding and the carry forward can be utilized to offset the SFY 2018 projected deficit, then the estimated request would be reduced to $400k. They are currently projecting a deficit of $2.188m which is offset by the carry forward for a risk pool request of $1.66m.

The above exercise is extremely conservative in that it looks at trends from SFY 2015 and applies them to current year trends. There are many reasons these trends may not be appropriate. Specifically:

- Utilization of 15 months average length of stay – KCI is now approaching 18 months and the statewide average has been between 16 and 17 months. For purposes of the estimate of reasonableness, an average length of stay (ALOS) of 16 or 17 months could be used, though 18 months seems too high (i.e. the CBC has control over some of the decline in discharges).
- Use of 39.8% assumed to be in licensed care – at 6/30/2017, this percentage was 43.9% compared to the statewide average of 43%, thus, 43% could be utilized (i.e. the CBC was outperforming the state, thus, should at least continue to perform at the statewide average).
- Use of the SFY 2015 average cost per licensed care placement of $1271 – the SFY 2016 average rate was $1437, the SFY 2017 average rate was $1476. Looking at this compared to statewide averages for SFY 2017, the statewide median rates were $490 for foster homes and $3600 for RGC which would result in an overall rate of $1485 if we assume 68% of paid placements (the 6/30/2017 statewide number) are in foster homes. Thus, while 16% higher than SFY 2015, the SFY 2017 average rate is reasonable to use as it remains lower than the statewide average.
- The resulting calculation would be an ADC impact of (using 17 month ALOS):
    - SFY 2016 removals – 55
    - SFY 2017 removals – 93.5
    - SFY 2018 expected removals – 60, for a total ADC impact of 208.5
- The number in licensed care placements (43%) would be 90
- The resulting licensed care cost would be $1.6m, the OCS cost would be $377k, for a total expected cost increase of $2m, reduced by new funds and carry forward totaling $1m, for a final estimate of $1m. Thus, KCI's request for $1.66m seems higher than it should be. In looking at KCI's recent spending, November has been the highest month when looking at average daily rate, but even if they continue at the same daily rate for the rest of the year, their deficit would be right at $1m. It appears that KCI's budget does not anticipate any future reductions in OOHC levels or includes increased expenses other than licensed care / OCS.