



**House Bill 1 Study Group and Reports:
Performance-Based Contracting and the Privatization of Child
Welfare Services**

**Department for Community Based Services
Child Welfare Oversight and Advisory Committee
July 8, 2019**

House Bill 1

- Landmark child welfare legislation passed in 2018
- Established the Child Welfare Oversight & Advisory Committee
- Streamlined processes for prospective foster and adoptive parents
- Mandated the cabinet designate a study group to make recommendations regarding performance-based contracting (PBC) and privatization

The Study Group

- Comprised of key public and private child welfare leaders, stakeholders, and advocates
- Supported by Casey Family Programs and facilitated by Chapin Hall
- Met regularly from 2018 through June 2019
- Reviewed literature and best practices, heard from expert panels, and applied discussions to Kentucky's child welfare system and transformation



PBC Recommendations

- Four categories:
 - A focus on the PBC model and fiscal design
 - Performance monitoring and quality improvement
 - Resource and infrastructure needs
 - Public-private partnership
- Purposely interrelated – designed to be reviewed and considered as a whole

PBC Model

1. Create and implement a hybrid PBC model with financial incentives and disincentives
2. Use a developmental approach, including a hold harmless period
3. Apply PBC across the full continuum
4. Develop strategic implementation for PBC with clear timelines and communication plan



Performance Monitoring and Continuous Quality Improvement

- 5. Collaborate on performance measures and targets
- 6. Performance standards and targets should take related outcomes into consideration
- 7. Allow for flexibility in standards and targets
- 8. Use plain language

Performance Monitoring and Continuous Quality Improvement cont.

- 9. Ensure comprehensive data collection and quality
- 10. Integrate contract performance monitoring
- 11. Provide capacity building and technical assistance services
- 12. Include a clear appeals process for providers

Resource and Infrastructure Needs

- 13. Enhance data systems and data sharing between public and private providers
- 14. Support capacity building and technical assistance needs
- 15. Create a project manager position
- 16. Ensure quantity and quality of staff
- 17. Revise and re-issue PBC Readiness Assessment
- 18. Develop training opportunities for public and private partners

Public-Private Partnerships

19. Establish a PBC advisory committee

20. Develop and implement a collaborative child welfare practice model



PBC Report Conclusion

- Promising fiscal strategy
- Could complement Kentucky's child welfare transformation
- Aligns with Family First
- Requires a strong collaboration



Privatization

- Applicability of the term
- Privatization in Kentucky
- Why privatize?
 - Improve outcomes
 - Spurring innovation
 - Being a better steward of resources

Privatization Models

- Split out portions of the system
- Differ from state to state/jurisdiction
- Different types of models
 - Lead agency
 - Multiple provider
- Different payment structures

Privatization Recommendations

1. Public and private capacities need to be built
2. Readiness assessment, cost study, and legal review are essential
3. Will require significant investments of resources
4. Pursuit of a modular approach

The Vision for Child Welfare

- Creating a 21st century child welfare system
- Reorienting around preventive services
- Expanding service array to meet needs
- Cultivating and appreciating resource homes
- Better engaging biological families and kin
- Incorporating a culture of safety



Conclusion

- Grateful for the collaboration
- Reports are available online at:
<https://chfs.ky.gov/agencies/dcbs>
- Numerous recommendations produced
- A vision for the future
- Follow this work on Twitter and Facebook at:
 - @KyDCBS
 - <https://www.facebook.com/kydcbs/>

Thank You!