



## Performance Based Measures



WISCONSIN DEPARTMENT OF  
CHILDREN AND FAMILIES

# 2009 Wisconsin Act 335

- Included in Act 335 is a directive to create a performance-based contracting system for group homes, RCCs, and child welfare agencies.
- DCF, in consultation with an advisory committee, must identify performance-based contracting measures by which to evaluate the performance of providers in meeting the goals for children placed in their care and the out-of-home care system.



# Performance Based Contracting Defined

“Performance-based contracting is one that focuses on the outputs, quality, and outcomes of the service provision and may tie at least a portion of a contractor’s payment as well as any contract extension or renewal to their achievement.” (Martin, 2003).

- Method of contracting with providers that links outcomes for children/families and funding in specific ways.
- This is not a new idea: Contracts have always carried expectations, the difference is in the shift of moving away from services. Moving towards the quality, outcomes, and experiences of children in care.

# Literature Review: Key Highlights and Experiences in Performance Management

There is no single model for performance-based contracting.

A lack of data and literature is available regarding the statewide use of PBC in county-operated systems. Most states that have successfully implemented PBC approaches are state operated.

## Advantages of PBC's

- Helps providers build their organizational capacity. (Help to clarify program goals and expectations).
- Encourage providers to take ownership of the outcomes they produce.
- Improvement and delivery of services, thereby improved child outcomes.
- Encouragement of contractors to find innovative and cost effective ways to deliver services.
- More meaningful monitoring.

# Outcome-Based Performance Management

- Assessing what service providers do and holding them accountable for their performance.
- The government agency needs some mechanism of control to ensure the quality of performance.
- Has an outcome orientation and clearly defined objectives and timeframes.
- Contract language shifts away from service units and/or enrollment towards expected outcomes.

States are using PBCs to pay for a variety of child welfare services and activities. These contracts incentivize a range of services and client outcome measures and use a range of PBC models to reward strong performance. Most states that utilize PBC do so for the following: direct care services including case management, foster care placement, substance abuse and mental health services, and adoption services.

### States' Use of PBCs in 2009

(Based on those States Reporting Use of PBCs in 2008)

	<b>Operational Definition</b>	<b>States</b>	<b>Total</b>
<b>PBCs link contractor payment to performance</b>	States with at least one PBC that links payment to performance, most commonly in the way of service or client outcomes	AZ FL IA ID IL MI MN MO NC ND NE NM TN WY	14
<b>PBCs inform contract renewal decisions</b>	States using performance measures in contracts primarily to gauge contract renewal decisions	AK AR CA CO CT IN LA OH OR WA	10
			24

# Illinois

- Illinois is state administered and state operated

Began in 1997 with foster care case management

- In this model, agencies under PBC are required to accept a certain percentage of their caseload in new referrals, and move a percentage to permanency every year. If the agency exceeds case closure expectations, an agency could reduce caseloads without a loss in revenue. Contractors that do not close the appropriate number of cases must continue to provide care and services without additional payment.

In 2008, Illinois also moved PBC to Residential Care, Independent Living and Transitional Living Programs.

One key part of the Illinois move to PBC in residential services, was establishing standardized rates. Prior to this, there was a wide range of rates with only a minimal relation between the rate paid and services provided, with no clear standards on staffing.

# Illinois (continued)

Two PBC metrics were developed:

- The first metric focuses on the residential treatment episode and is termed Treatment Opportunity Days Rate (TODR), the percentage of time in treatment during a residential stay (spell) at a facility where the child/youth is not on the run, in detention or in a psychiatric hospital.

Active Days

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Active Days + Interruption Days

The second metric focuses on the success of the discharge from residential care and is termed Sustained Favorable Discharge (SFD).

- “Favorable” = positive step-down to less restrictive setting or a neutral discharge in a chronic setting (e.g. mental health or DD)
- “Sustained” = remain in discharge placement for 180 days or more
- “Unfavorable” = negative step-up to a more restrictive setting, disrupted placement, or lateral move to another residential facility or group home

# Illinois continued

Risk adjustment was incorporated as a response to providers claims that the children they served were higher needs.

- “How can you compare my agency with others when I have the harder to serve kids?”
  - Historical child systems involvement
  - Demographic characteristics
  - Other placement characteristics
- Using Chapin Hall’s Multistate Database, statistical analysis was performed on a large population of children in residential care during a 3 year period
- Risk factors were identified which were associated with positive or negative outcomes
- Based on the longitudinal analysis, weighted risk factors were applied to children in each agency during FY06, FY07 and the first six months of FY2008 to arrive at predictions for performance for FY09 and FY2010. It was the intent of Illinois moving in to FY2010 and FY2011, to incorporate the CANS however the data work group was not satisfied with its elements in time and continues to work on including the CANS elements in to the risk adjustment model
- Performance benchmarks for TOD and SFDR were adjusted for risk using the initial risk adjustment measures
- Since all providers have reported that the population has and continues to change significantly, the challenge is to get the data as current as possible, yet having a statistically reliable sample upon which to build the model

# Illinois: Evaluation Findings

## (Children's Bureau Express)

An evaluation grant was awarded in 2007 by the National Quality Improvement Center on the Privatization of Child Welfare Services to the Illinois Department of Child and Family Services, the Child Care Association of Illinois (a private agency), and Children and Family Research Center of the University of Illinois. The initiative follows the state's residential treatment and Independent Living Opportunities/Transitional Living programs, but the initial findings pertain to the residential component only.

- The system of penalties and incentives had to be discontinued after the first year, because the state paid out more than it collected in penalties, but the same outcomes continue to be tracked and used to gauge performance.
- The percentage of youth who were negatively discharged (meaning discharge to a generally negative outcome such as running away or placement in a detention facility) decreased from 16.5 percent in fiscal year 2009 to 14.1 percent in fiscal year 2011
- The percentage of youth who were favorably discharged increased from 22.1 percent to 29.4 percent
- The improvements are attributed to a variety of factors including initiation of the project itself, implementation of quality improvement plans with struggling contracts and termination of poorly performing contractors
- Agencies that did not perform well did not tend to have a well-defined treatment model or had staff that could not articulate the model
- Staff in lower performing agencies tended to blame youth for poor performance
- Urban group homes did not perform as well as others

# Lessons Learned

- The theory of PBC suggests that at least some risk for performance failure should be transferred from government contracting agencies to contractors in order to encourage the latter to focus more on performance. Studies find that it is critical that contracts align financial incentives and maintain a link between performance and payment to reinforce the importance of achieving outcomes over maintaining children in care (McBeath and Meezan,2007).





# Wisconsin Performance Based Measures

- Purpose and Principles
- Measures
- Pilot
- Addressing Provider Reactions and Concerns
- Implementation Plan
- Next Steps: Rollout Strategy



# Purpose

The Wisconsin Department of Children and Families will be utilizing measures and reports to monitor performance of residential care centers, group homes, and the administration of Level 3 & 4 foster homes. The purpose of implementing Performance Based Measures consists of three core objectives:

- Improving outcomes for children in OHC
- Increasing transparency, strengthening accountability and improving partnerships among providers, Wisconsin public purchasers and DCF
- Implementing continuous improvement strategies



# Principles of Performance Based Contracting in Wisconsin: The Child's Perspective

Goal: The evaluation of child permanency and stability should always align with the best interest of the child, and whenever possible, with core program initiatives and practice expectations.

**Changes are viewed from the perspective of the child:** what is most and least desired

- Permanency is the most favorable for ALL children
- Placement in a family setting is very favorable
  - Improve connection to child's community of origin or extended family
- Any move introduces change, therefore is not desired; however some moves are more favorable than others, for example:
  - A family home placement setting is desired for every child
  - It is extremely unfavorable for a child to be Missing from OHC or to be placed in a more restrictive, or a locked setting



# Child Permanency and Stability Outcomes Scale and Performance Based Measures

Child's permanency and stability status, as described below based on permanency and stability outcomes scale (permanency achievement of placement changes during the reporting period).

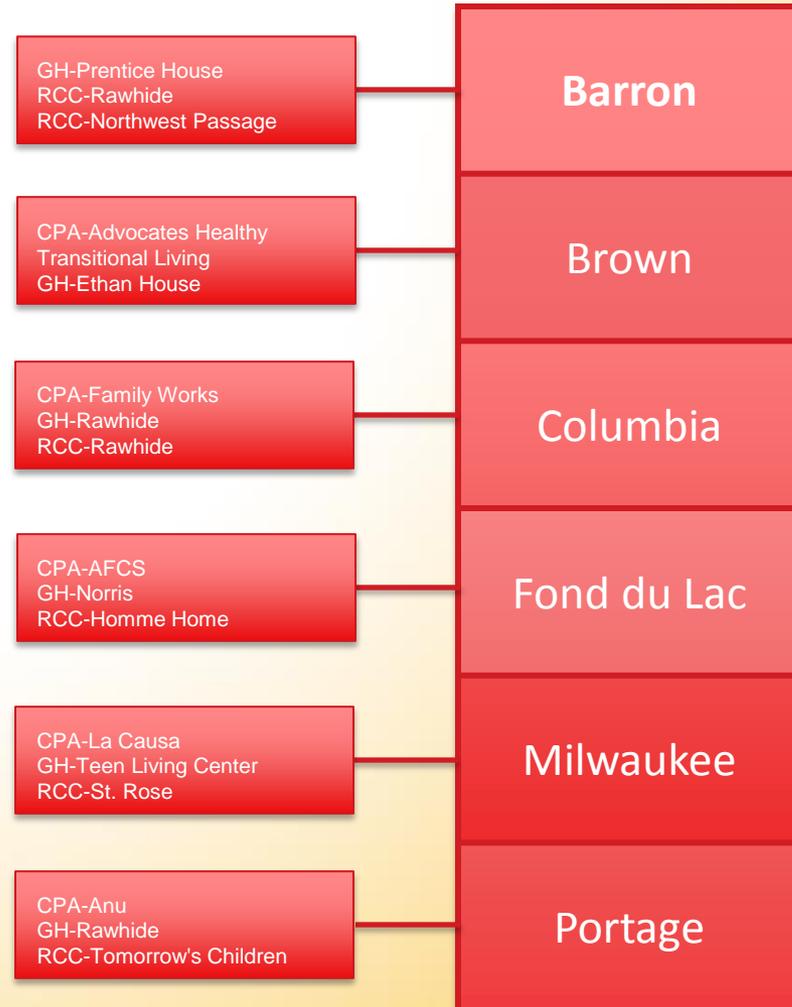
Outcome Measure	Description
Optimal	Child has reached legal permanency through reunification, adoption, or legal guardianship.
Very Favorable	Child has moved to a family placement with a relative caregiver, including trial reunification.
Favorable	Child has moved to a less restrictive setting from previous provider, however is not in a placement with a relative caregiver.
Unfavorable	Child has moved to a placement that is the same type as the previous placement; however is a different physical placement provider, or the child has aged out of care for discharge reason.
Very Unfavorable	Child has moved to a placement that is more restrictive from the previous provider type.
Poor	Child is missing from out-of-home care, has moved to a placement in a hospital, detention, corrections, or has discharged from care as missing from out-of-home care or to corrections.

# Pilot

## Performance Based Measures Report Testing Group

Counties and providers in the Rate Regulation Committee were invited to participate in the Performance Based Measures Testing Group. The group consisted of six counties and fourteen providers. The pilot group was tasked with the following:

- Identify any report issues, pervasive data quality issues and training needs.
- Develop recommendations for communication and presentation to purchasers, providers, and other stakeholders.
- Assist in communication of Performance Based initiative.



# Provider Reactions and Concerns

## Concerns raised by providers include:

- The extent to which providers control the outcomes of children served
- Data integrity and the ability to have access to the data
- The process by which the state is working to publish dashboard data

## Positive reactions by providers include:

- Expressing support for the Performance Based Measures approach
- Sharing with DCF staff that they would be willing to communicate publicly their strong support, regardless of what their outcomes end up being
- Are looking forward to having a better understanding of their strengths and weaknesses

# Provider Reactions and Concerns Continued...

The Division of Safety and Permanence has worked diligently to address provider concerns and reactions towards Performance Based Measurements via the following:

- Involved providers and counties in the development of the measures
  - DSP staff worked with the PBM-Rate Regulation Subcommittee to develop measurement recommendations.
  - The PBM-Rate Regulation Subcommittee has continued to be involved in recommendations throughout the process.
  - DSP staff communicated back to the PBM-Rate Regulations Subcommittee the status and results of the PBM Report Testing Group.
- DSP has continued to report and address concerns via the Rate Regulation Committee and PBM-Rate Regulation Subcommittee.
- DSP held a final PBM Report Testing Group meeting here in Madison, specifically to address any outstanding concerns that the testing team still had.
- DSP, via a simplified BID process, contracted with a third party research agency to address provider concerns that they are not responsible for outcomes of children placed in their care.



# Provider Impact on Placement Outcomes

## Provider Impact on Placement Outcomes

- Chapin Hall at the University of Chicago, analyzed provider effects on permanency outcomes for children placed in out-of-home care, measuring length of stay with private providers and permanency via an exit to reunification, adoption, exit to relatives, or guardianship. The purpose was to establish through statistical analysis, whether private providers (Child Placing Agencies, Residential Care Centers, and Group Homes) in the State of Wisconsin impact the outcomes of the children they serve.
- By analyzing private provider effects on permanency, we can measure whether the provider with which a child is placed influences their placement outcomes.

## Findings

- After accounting for other factors that influence outcomes (child characteristics, placement/provider type, and county practices), the analysis indicates that providers have substantial effects on the outcomes of children placed in their care.
- While counties also influence child outcomes, providers have a somewhat greater impact than counties on the outcome of the child.

# Implementation Plan

- **Phase One (2012-2014)**

- Develop and test Performance Measures, produce report data, and provide measurement outcomes to purchasers for evaluation of contract and rate
- Evaluate and Assess Phase One prior to moving towards Phase Two
  - Explore engagement with third party to evaluate outcomes, baseline/benchmarks via statistical analysis
  - Evaluate purchasing patterns; where, why, and by whom

- **Phase Two (2015-2016)**

- Establish baseline/benchmarks that impact rate based on performance
- Develop provider weighting methodology
- Based on those benchmarks, rate regulation is impacted by PBC outcomes
- Evaluate and Assess Phase Two

# Next Steps: Rollout Strategy

## Communication Plan

- Pilot Group & PBM Subcommittee will meet with the Department again to offer input on language for dashboard website (March 18)
- Update for the Rate Regulation Advisory Committee (April 4)
- Presentation to provider agencies, which will include Chapin Hall's research findings and a demonstration of the dashboard (late May)
- Dashboards will become publically available (anticipated date of June 2)
- Once the PBM dashboards have been approved, the Department will present the information to a number of audiences throughout the summer, including:
  - Human Services Fiscal Managers (Date TBD)
  - CPS Supervisors (TBD)
  - ICWA Directors (TBD)
  - DOC/Division of Juvenile Corrections (TBD)
  - Milwaukee County Juvenile Justice (TBD)
  - Department of Health Services (TBD)
  - RCC Forum (May 7 & September 3)
  - BMCW Quarterly GH Meeting (TBD)
  - Foster Family-Based Treatment Association (TBD)
  - Rate Setter's Meeting (August 4)

# Performance Based Measures

## Dashboards



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# Performance Based Measures

## Dashboards

- Performance Based Measures (PBM) dashboards will provide outcome data, as well as Child and Adolescent Needs and Strengths (CANS) data, for Wisconsin Child Placing Agencies (CPA), Group Homes (GH), and Residential Care Centers (RCC).
- Separate dashboards will be created for each type of agency included in PBM.
- The reporting period for each dashboard will be the previous calendar year, plus an additional 3 month period, to allow for completed sustainability data.
- For every placement with each provider during the reporting period, movement will be tracked and placed into one of the outcomes identified in the Child Permanency and Stability Outcomes Scale (slide 5).

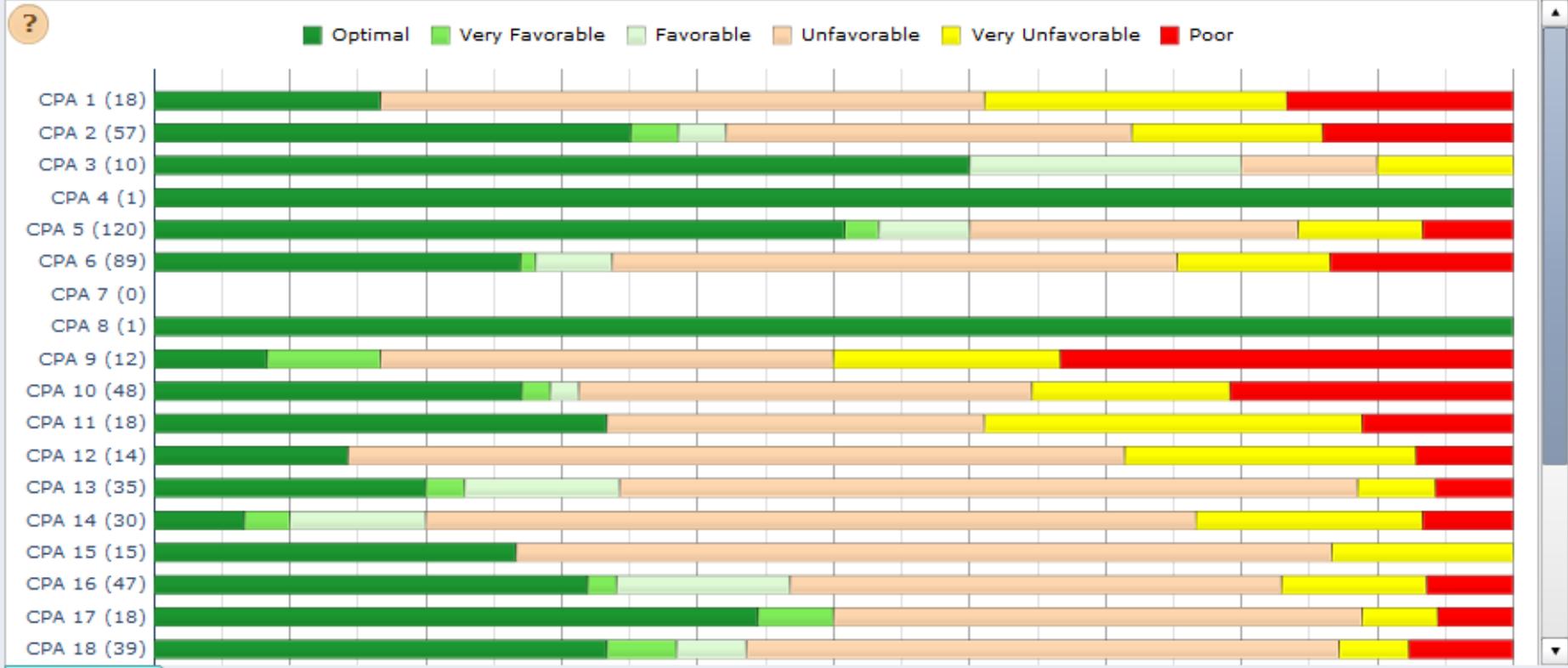
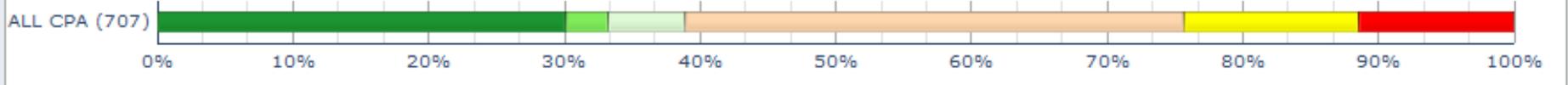


Performance Outcomes by Agency ?

Outcomes Graph

Outcomes Data

Sustainability Data



Usage Tips

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[Individual Provider](#)
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## Performance Outcomes Data by Agency ?

[Outcomes Graph](#)
[Outcomes Data](#)
[Sustainability Data](#)

?	AGENCY	PLCMT CNT	STILL IN CARE CNT	OUTCOME CNT	MED LOS	OPTIMAL	V FAV	FAV	UNFAV	V UNFAV	POOR	▲
	ALL CPA	1654	947	707	251.5	30%	3%	6%	37%	13%	11%	
	CPA 1	44	26	18	197.5	17%	0%	0%	44%	22%	17%	
	CPA 2	155	98	57	335	35%	4%	4%	30%	14%	14%	
	CPA 3	17	7	10	292	60%	0%	20%	10%	10%	0%	
	CPA 4	1	0	1	17	100%	0%	0%	0%	0%	0%	
	CPA 5	270	150	120	254	51%	3%	7%	24%	9%	7%	
	CPA 6	219	130	89	262.5	27%	1%	6%	42%	11%	13%	
	CPA 7	1	1	0	679	0%	0%	0%	0%	0%	0%	
	CPA 8	1	0	1	22	100%	0%	0%	0%	0%	0%	
	CPA 9	21	9	12	244	8%	8%	0%	33%	17%	33%	
	CPA 10	108	60	48	226	27%	2%	2%	33%	15%	21%	
	CPA 11	32	14	18	227.25	33%	0%	0%	28%	28%	11%	
	CPA 12	38	24	14	275.5	14%	0%	0%	57%	21%	7%	
	CPA 13	85	50	35	232	20%	3%	11%	54%	6%	6%	
	CPA 14	67	37	30	106.5	7%	3%	10%	57%	17%	7%	
	CPA 15	31	16	15	174.25	27%	0%	0%	60%	13%	0%	
	CPA 16	87	40	47	131	32%	2%	13%	36%	11%	6%	
	CPA 17	46	28	18	448.5	44%	6%	0%	39%	6%	6%	▼

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## Sustainability Data by Agency ?

[Outcomes Graph](#)
[Outcomes Data](#)
[Sustainability Data](#)

?	AGENCY	OUTCOME CNT	OPTIMAL	OPT SUST	V FAV	V FAV SUST	FAV	FAV SUST
	ALL CPA	707	30%	98%	3%	45%	6%	55%
	CPA 1	18	17%	100%	0%	N/A	0%	N/A
	CPA 2	57	35%	100%	4%	50%	4%	100%
	CPA 3	10	60%	83%	0%	N/A	20%	50%
	CPA 4	1	100%	100%	0%	N/A	0%	N/A
	CPA 5	120	51%	98%	3%	33%	7%	75%
	CPA 6	89	27%	96%	1%	100%	6%	40%
	CPA 7	0	0%	N/A	0%	N/A	0%	N/A
	CPA 8	1	100%	100%	0%	N/A	0%	N/A
	CPA 9	12	8%	100%	8%	100%	0%	N/A
	CPA 10	48	27%	92%	2%	N/A	2%	N/A
	CPA 11	18	33%	100%	0%	N/A	0%	N/A
	CPA 12	14	14%	100%	0%	N/A	0%	N/A
	CPA 13	35	20%	100%	3%	100%	11%	100%
	CPA 14	30	7%	100%	3%	100%	10%	100%
	CPA 15	15	27%	100%	0%	N/A	0%	N/A
	CPA 16	47	32%	100%	2%	N/A	13%	50%
	CPA 17	18	44%	100%	6%	N/A	0%	N/A

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Outcomes

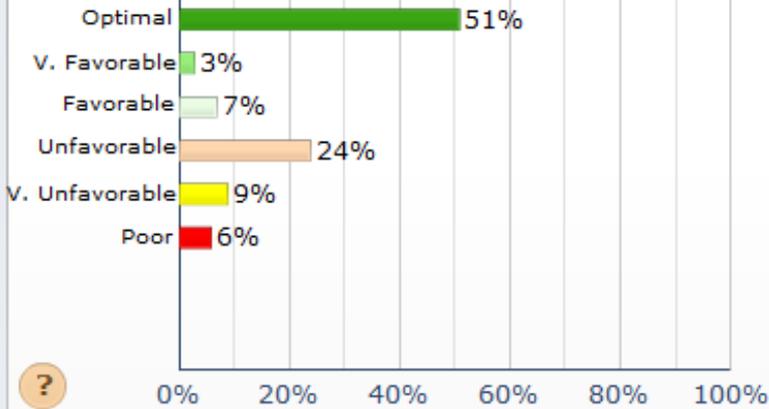
Individual Provider

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Outcomes and Sustainability by Individual Agency ?

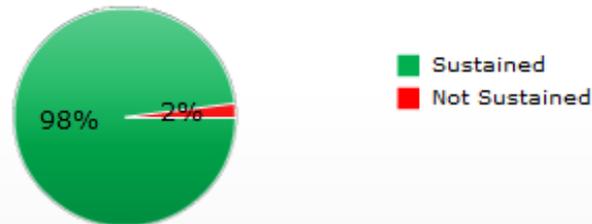
Agency: CPA 5

Placement Count: 270  
 Median Length of Stay (days): 254  
 Outcome Count: 120



Optimal V. Favorable Favorable ALL

Optimal Sustainability



Usage Tips

CANS Summary

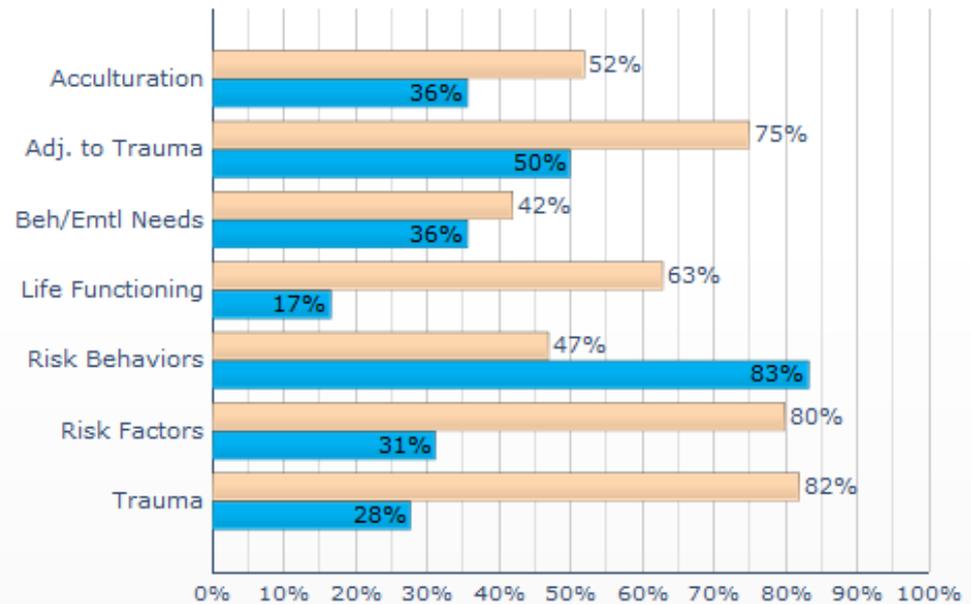
Domain Detail

CANS Type-Age: 5-17

CANS Scoring Rate by Domain ?

Avg. LON: 4.5 for CPA 5, CANS 5-17

Avg scoring All agencies Scoring for selected agency



Outcomes

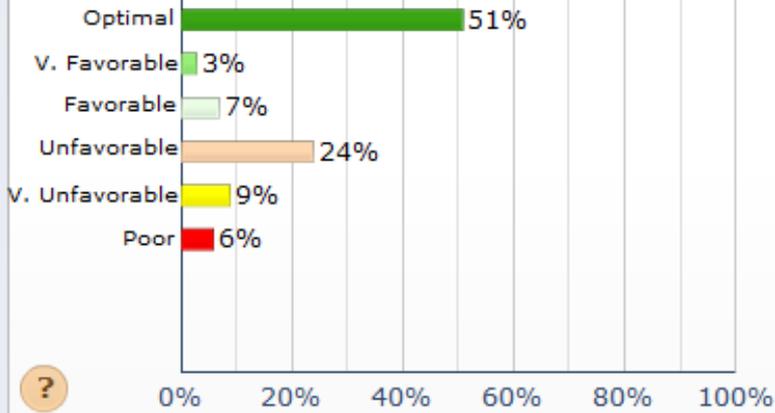
**Individual Provider**

About

**Outcomes and Sustainability by Individual Agency** ?

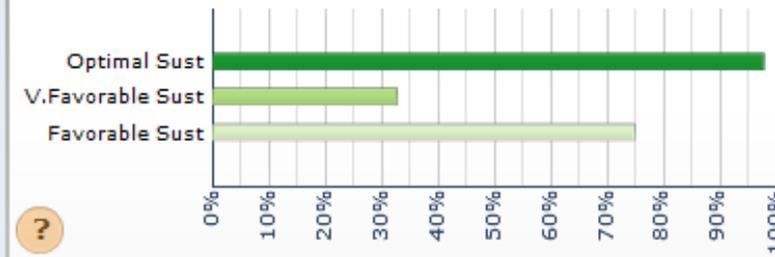
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Optimal V. Favorable Favorable **ALL**

**Sustainability**



Usage Tips

CANS Summary

**Domain Detail**

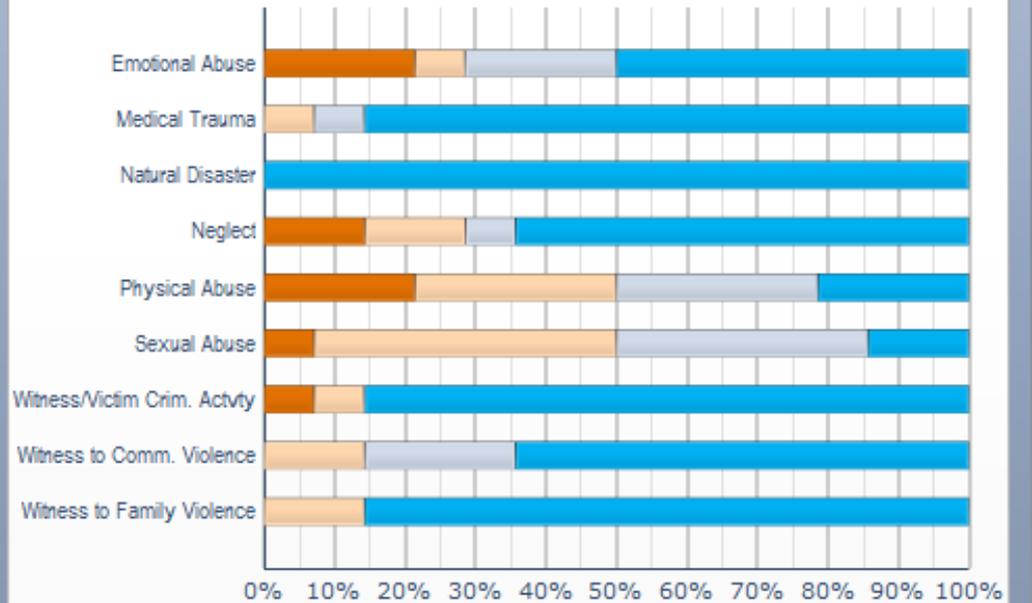
CANS Type-Age: **5-17**

Domain: **Trauma**

**CANS Scoring Rate by Indicator** ?

for CPA 5, CANS 5-17

3 2 1 0



# How to use the dashboards to make informed decisions...

## Scenario 1:

- A provider appears to have higher outcomes in unfavorable measures.
  - The CANS dashboard view allows the user to analyze the population served.
  - For example, if a provider has a significant percentage of poor for their performance it is important to consider what this outcome is measuring. The measurements for poor include discharges to corrections, detention, missing from out of home care, etc. High numbers in one area could indicate that a provider may serve a high-risk or high-needs population; but that may not be the case, so it is important to consider both the outcomes and the CANS data in the decision making process.

## Scenario 2:

- Two providers have a similar population size and similar outcomes.
  - The CANS information is also helpful in this scenario. If you have two providers with similar population size and outcomes it's important to note the CANS indicators for the population served.
  - Specifically, if you have one child in mind and you are looking between two providers with similar outcomes the CANS is a good way for you to be able to see the types of children that the provider serves.

## Scenario 3:

- The purchaser has two providers in mind with similar population size but one provider weighs heavier in unfavorable.
  - Utilizing the CANS, it is important to distinguish the types of children a provider serves.
  - For example if a provider has a higher percentage rate in more of the unfavorable measures it could be because the population served is a higher-risk population than the average.
    - The domains and the indicators are available on the cans dashboard.