

Protocol for Requesting Risk Pool Funding

State Fiscal Year 2020-2021

This Protocol for Requesting Risk Pool Funding for state fiscal year 2020-2021 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 330 of the General Appropriations Act for state fiscal year 2020-2021 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 2018-2019 and 2019-2020).

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 2020-2021 if they meet the following criteria:

- The CBC meets the statutory requirements for uses of risk pool funding in 409.990(7)(c), Florida Statutes.
- The CBC projects an end of fiscal year deficit, inclusive of any carry forward deficit.
- The CBC's Financial Viability Plan includes well defined and effective actions as well as measurable and reasonable projected outcomes to improve their primary costs drivers that affect their projected deficit.

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 **December 16, 2020**, the "Risk Pool Funding Application SFY 2020-2021."

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 December 16, 2020.**
- 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) 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.
 - (d) 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. Report on technical assistance activities completed and remaining, and/or recommendations for future technical assistance.
- v. 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 2020-2021

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 Community Alternatives Pinellas/Pasco

Region: Suncoast

Contract No.: QJ511

Address: 100 N. Starcrest Drive, 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 6/30/2021 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 2020-2021:
Projected Deficit: \$12 Million
Amount of Risk Pool Funds Requested: \$8,054,312
- 2) Confirm that the amount of funding requested would be fully expended during Fiscal Year 2020-2021: Yes No
- 3) State specifically how the Lead Agency would qualify for Risk Pool funds based upon the requirements in s. 409.990(7)(c), F.S. (Appendix A):
 1. Eckerd Community Alternatives Pinellas/Pasco (ECAP) qualifies for the Risk Pool funds under the requirements stated in s. 409.990 (7)(c) because we have experienced significant changes in the number and composition of clients eligible to receive services. This significant increase has progressively developed over the last 4 years beginning in FY 16/17.
 2. Additionally, ECAP is projecting a significant deficit inclusive of any carryforward funds.
 3. ECAP has a well-defined financial viability plan with effective actions as well as measurable and reasonable projected outcomes to improve their primary costs drivers that affect their projected deficit.

- 4) 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.
- 5) Please provide a detailed proposal that addresses how you will 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 (Level II-V foster care and residential group care) setting. These funds will be used to cover the OOHC costs related to the increased number of children in our system. We will also use these funds to cover the current deficit created by the increased costs of services and supports to these children in our care including client related services for treatment and support. Risk Pool dollars will also be used to off-set expenditures directly associated with continuing service interventions that ECAP has implemented to improve performance and to reduce costs including foster home recruitment. This fiscal year DCF reports a net increase in C6 foster home capacity of 74 beds. Last fiscal year DCF reported a net increase of 142 beds for C6. Eckerd Connects' Financial Viability Plan and weekly meetings addressing specific countermeasures that were launched this year 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. Through current efforts we are starting to see the OOHC expenses trending down as a result of improved system stability reducing expenses this fiscal year by \$7,000 per day annualizing to \$2.5 million. Additionally, Eckerd continues to reach out to local resources to address our funding shortfalls and help us meet the needs of the children and families we serve. The response to question 4 (on a separate document) delineates these additional resources we are seeking and leveraging. Eckerd also has worked hard to stabilize our work force, we changed case management organizations and created a teen specialty program to help drive improved performance. These efforts along with the case management pilot strategies will result in improvements in achieving permanency with 12 months, increase our ability to support intact families keeping children out of licensed care, and reduce returns to care. This will ultimately reduce the number of children in our system and bring C6 back to a balanced budget.
- 6) Please include a detailed narrative budget for the proposal presented in #5 and expected Return on Investment (ROI) for the funds requested.

The FY 2020-21 projection with October actuals has a net deficit of \$12,038,725 (FY 2019-20 carry-forward deficit of \$650,086 plus FY 2020-21 deficit of \$11,388,639). The prior fiscal year, C6 received \$11.4M in non-recurring funding (Risk Pool \$3.9M, \$7.3M Back-of-the Bill and Excess Earnings \$209K). Below are current year projections in comparison to prior year actuals.

	FY2021 Proj (Oct actuals)	FY2020 Funding	Change
Core Services (excl Level 1)	48,376,164	48,132,208	243,956
Level 1 (Eligible & Ineligible)	603,000	354,762	248,238
Maintenance Adoption Subsidies	24,293,480	23,114,740	1,178,740
Guardian Assistance Payments	89,654	89,654	-
Independent Living	2,552,253	2,552,253	-
Children's Mental Health Wrap-around	647,125	647,125	-
CW Performance Incentive Project	4,371,313	-	4,371,313
Schedule of Funds (less RP, BoB, Exc Earnings)	80,932,989	74,890,742	6,042,247
Risk Pool		3,887,237	(3,887,237)
Back of Bill		7,279,784	(7,279,784)
Excess Earnings		208,536	(208,536)
	-	11,375,557	(11,375,557)
Schedule of Funds	80,932,989	86,266,299	(5,333,310)
Maintenance Adoption Subsidies	186,581	(110,495)	297,077
Guardian Assistance Payments	(66,012)	(89,654)	23,642
Level 1 (Eligible & Ineligible)	645,942	(169,945)	815,886
Independent Living	(70,838)		(70,838)
CW Performance Incentive Project	(942,894)		(942,894)
Carry Forward	(650,086)	(52,009)	(598,077)
	(897,308)	(422,103)	(475,205)
Adjusted Estimated Revenue	80,035,681	85,844,196	(5,808,515)

	FY2021 Projections	FY2020 Actuals	Change	Change Core Only
Lead Agency Related	10,549,963.28	9,580,449.47	969,513.81	969,514
Dependency Case Management	3,127,395.99	2,695,727.66	431,668.33	431,668
Client Related	2,065,345.83	1,911,456.36	153,889.47	153,889
Contracted Services	16,886,454.06	18,627,753.59	(1,741,299.53)	(1,741,300)
Independent living/Extended Foster Care	2,481,414.65	2,212,400.13	269,014.52	
Out-of-Home Services				
Level 1	1,248,942.00	354,762.00	894,180.00	
Lev 2 & Group	25,425,960.00	24,938,041.34	487,918.66	487,919
Guardianship Assistance Program Payments	23,641.98	-	23,641.98	
Maintenance Adoption Subsidies	24,480,061.31	23,004,244.55	1,475,816.76	
Case Management Pilot	2,360,223.70		2,360,223.70	
Support Center Allocation	3,425,004.00	3,169,447.04	255,556.96	255,557
Total DCF CBC	92,074,406.80	86,494,282.14	5,580,124.66	557,247.71
Net Surplus (Deficit)	(12,038,725)	(650,086)		

C6's core expenses are anticipated to be \$557K more than FY 2019-20, with a decline in Level II-V foster care and group care expenses of \$488K. Out-of-Home care cost are projected to average \$71K per day for the remainder of the year, which is a decrease of approximately \$7K per day from the beginning of the fiscal year. Client related services have increased to provide added wrap-around services and promote permanency. The \$432K increase in in-house case management is off set by the decrease in contract services. In Judicial Circuit 6, Eckerd Connects operates the largest child welfare system in the

State of Florida. In response to workload concerns expressed by our provider network, Eckerd Connects made a decision to offer support by transitioning approximately 25% of case management in-house. As a result of this initiative (which has already had a positive impact on performance), we added an additional Associate Executive Director to address risk issues, drive performance, and provide proper support and supervision to our in-house case management. Eckerd Connects has consistently ranked amongst the top 3 CBCs leading the State in finalized adoptions (334 in FY 2019-20) and the number of children currently available for adoption. Therefore, Eckerd Connects added 1-Adoption Supervisor to provide post-adoption support and to continue to drive permanency through adoption finalizations. Eckerd Connects also, added 1-Operations Supervisor to provide on-going efforts driving performance improvement on all the permanency measures. Also, C6 has experienced increased cost in healthcare and a lower vacancy rate of approximately 5% in comparison to FY2019-20, accounting for \$437K of the additional expense.

Eckerd further continues to experience a shortfall in funding as a result of the increased population of youth being placed in licensed care since FY2016-17, both in out-of-home costs and client related services.

Risk Pool funding will be used to offset costs directly related to the expenses articulated above.

The return on investment of risk pool funds with Circuit 6 will be seen in the continuation of the reduction of youth in residential group and licensed foster care. Eckerd has built some momentum on this during the current fiscal year and with the aid of the risk pool funds we will be able to continue to see success. Further, we will see improvement in specific contract measures of permanency within 12 months due to improved case management stability as well as several of the pilot project strategies, fewer children returning to care due to kinship services and the addition of a reunification program this year, and placement stability as capacity increases and with the specialty teen case management agency.

Lead Agency Name: Eckerd Community Alternatives Pinellas/Pasco

Region: Suncoast

Contract No.: QJ511

Lead Agency CEO/ED Name: Chris Card

Please confirm the following:

The Lead Agency submitted a SFY 2020-2021 Financial Viability Plan.

Yes No


The Lead Agency is actively worked its SFY 2020-2021 Financial Viability Plan.

Yes No

Did the Lead Agency receive Risk Pool funding in SFY 2019-2020?

Yes No

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

 _____

Lead Agency CEO/ED Signature

____12/16/2020____

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.