Risk Pool Funding Application SFY 2022-2023

Please complete all items, sign and date the application, consult with your Regional Managing Director, and submit electronically to the Barney Ray, Director of Revenue Management & Partner Compliance at hqw.cfo.cbc.me.accountability@myflfamilies.com

Lead Agency Name: Embrace Families Community Based Care

Region: Central Contract No.: GJL58

Address: 901 N Lake Destiny Rd, #400, Maitland, FL 32751

Lead Agency Contact: Michael Bryant, COO Phone No.: 407.404.3949

Contract Manager: Susan Lowe Phone No.: 407.575.9651

This request is submitted in response to a projected deficit at 6/30/2023 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 2022-2023:
   - Projected Deficit: $8,467,696
   - Amount of Risk Pool Funds Requested: $3,054,312

2) Confirm that the amount of funding requested would be fully expended during Fiscal Year 2022-2023: ☐ **X Yes** ☐No

3) State specifically how the Lead Agency would qualify for Risk Pool funds based upon the requirements in s. 409.990(8)(c), F.S. (Appendix A):

Response to Question #3: Embrace Families Community Based Care (EFCBC) is seeking risk pool funding for the 2022-2023 fiscal year. This request is essential to help address immediate budget impacts tied to the following reasons:

Significant changes in the number and composition of clients eligible to receive services. – Embrace Families has experienced an increase in the acuity and percentage of youth in licensed out of home care.

Continuity of care in the event of failure, discontinuance of service, or financial misconduct by a lead agency. – Children's Home Society failed to recruit and retain the necessary case management workforce to provide services and withdrew from providing services in the area.

Significant changes in the mix of available funds. – While our CBC counterparts statewide received an influx of additional recurring funds, which were used to fill gaps and increase the salaries of case management staff, Embrace Families received significantly less than surrounding lead agencies. To remain competitive in the market, Embrace Families had to also increase salaries, which are traditionally higher in our market than in nearby areas.

In an effort to quickly and responsibly address these colliding budget pressures, Embrace Families established a Critical Review Team to evaluate permanency, reunification, and safety plan options on a case-by-case basis. The statewide Strong Foundations team was engaged as part of this CRT. In addition, Embrace Families leadership reached out directly to the DCF Office of The Assistant Secretary of Administration for technical assistance and budget analysis. Specifically, we sought triage recommendations and comparisons with like CBCs.

Our response outlines the many strategies put in place to quickly and effectively address the "perfect storm" of colliding forces that resulted in this request for Risk Pool Funding necessary to help shore up our FY2022-23 budget.

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. See pages 5-9 below.

5) Please provide a detailed proposal that addresses how you will use these funds to address or correct the underlying cause of the shortfall?

Response to Question #5: If awarded Risk Pool Funding, Embrace Families will use these funds to continue initiatives within the system of care which are focused on at risk youth stabilization, OHC expense stabilization and case management stabilization.

At Risk Youth Stabilization. Embrace Families has engaged clinical expertise through the Peyton Network and the CANEI Program. These programs are being used to serve youth in Licensed OHC placements at risk of unstable placements. We anticipate that these programs will prevent youth from moving into higher levels of care. In addition, Embrace Families has bolstered its Family Finding program. These initiatives will take time to realize their full impact, so we will concurrently fund wrap around and support services for those youth at risk of unstable placement.

OHC Expense. These funds will allow Embrace Families to fund the shortfall in licensed out of home care expense as the other strategies reach their full impact.

Case Management Stabilization. Embrace Families' system of care has seen an increase in filled Case Management positions and a significant reduction in the turnover, which has allowed for lower caseload ratios. These funds will allow us to continue to provide case management salaries in line with neighboring CBCs and continue this progress. We anticipate, as this trend continues, there will be decreased time to permanency, which will reduce the overall cost of care.

6) Please provide a detailed budget projection for FY 2022-2023 using the **CBC Quarterly Budget Projection Template FY 2022-2023** on the CBC contract documents incorporated by reference at: https://www.myflfamilies.com/service-programs/community-based-care/cbc-fiscal-attachments.shtml. Attached.

Note: We have also included supplemental information in response to this committee's fy2021-22 recommendations. That information can be found in "Attachment 1" below.

Lead Agency Name: Embrace Families Community Based Care

Region: Central Contract No.: GJL58

Lead Agency CEO/ED Name: Glen Casel, CEO

Please confirm the following:

Did the Lead Agency receive Risk Pool funding in SFY 2021-2022?

☐ Yes ☐ **X No**

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

Glen Casel, CEO 11.22.2022

Lead Agency CEO/ED Signature Date

Exhibit A

Section 409.990(8), 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 non-applicant 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.

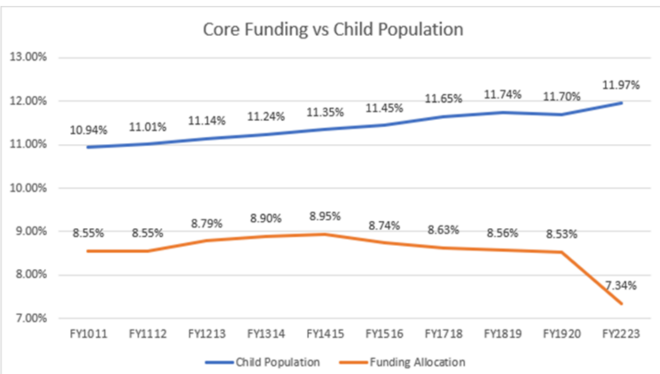
NARRATIVE: Question #4

Embrace Families Community Based Care (EFCBC, or Embrace Families) is seeking risk pool funding for the 2022-2023 fiscal year. This request is essential to help address immediate budget impacts tied to significant changes in the number and composition of clients eligible to receive services; discontinuance of case management service; and significant changes in the mix of available funds, which impacted our ability to retain case management.

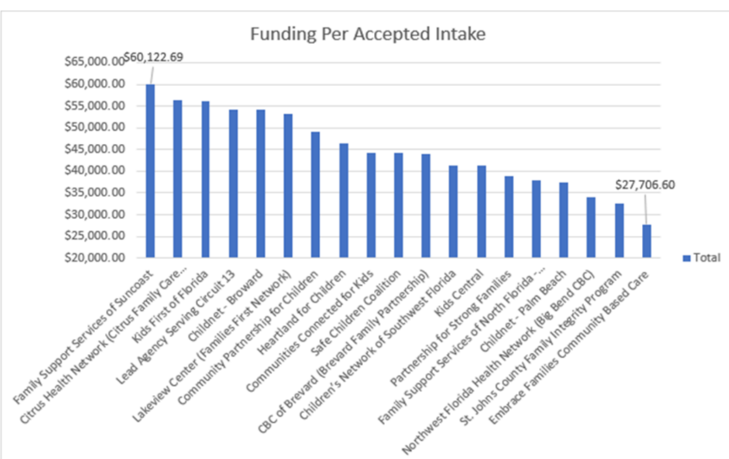
BACKGROUND

Non-profit social service agencies are not immune from recent financial pressures put on employers throughout the United States. Concurrently, Embrace Families, like our colleagues in the state and nationwide, has experienced an increase in the number of very difficult populations -- highlighted by the entry of youth with more acute needs. This increase in case complexity has not only caused the cost of providing services to rise and contributed to significant turnover among an already fragile workforce, it has also led to a corresponding issue: As behaviors of our youth population become more difficult to manage, we have experienced a reduction in initial placements into relative/non-relative care, which has caused a significant strain in the capacity of our licensed providers and homes.

These colliding forces have resulted in a perfect storm, which has created destabilization in child welfare systems of care; not only in our state, but nationwide.



Here in Florida, recognizing that our child and family serving lead agencies weren't exempt from these mounting pressures, the State's Department of Children and Families did a good job anticipating and getting ahead of the problems by allocating an **additional $150 million** into the statewide community-based child-welfare system. Unfortunately, Embrace Families and the Central Florida community were missed in that allocation of additional resources. Out of the $150,498,489 of additional funding, **Embrace Families received $1,933,013 or 1% of the funds**. This has left us with the same critical need as our colleagues to stabilize our workforce and provide higher level interventions, but without the dedicated resources to do so. In FY 2022-23, Embrace Families **accounts for 12 percent of child population** but **only receives 7.35 percent of core funding**. In the 2021-2022 fiscal year, Embrace Families had 8.4% of core funding.

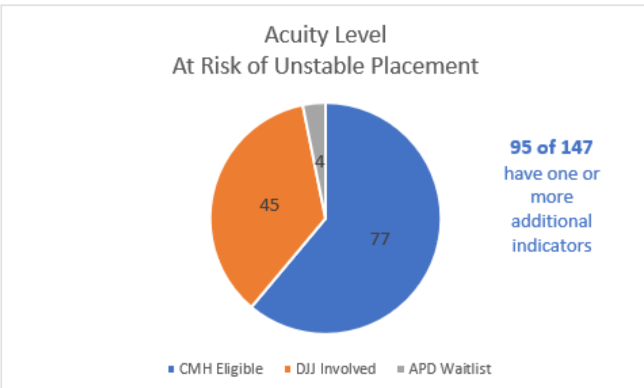


That disadvantage is starkly clear in this illustration. The new funding available to help our Florida CBC colleagues to push back the perfect storm, is simply unavailable to us. Notable increases in the acuity and volume of youth in out-of-home care and substantial costs associated with the stabilization of case management operations, have created a significant projected operating deficit for the fiscal year. Without the injection of new revenue received by our colleagues statewide, this has placed Embrace Families in a uniquely precarious budget position.

INCREASE IN ACUITY OF YOUTH

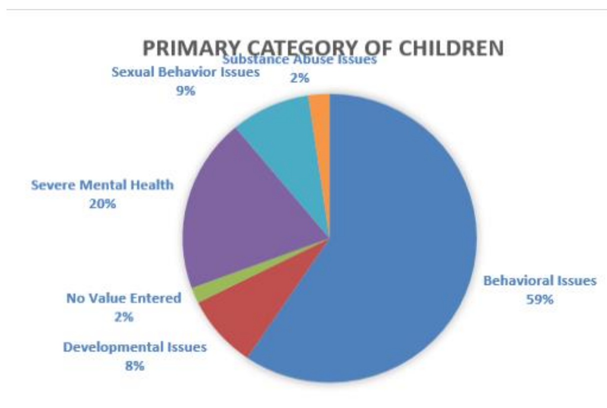
Embrace Families has experienced an increase in the number of children with complex needs in the last year. Already for **FY22-23, 147 youth with significant behavioral and mental health issues were identified as youth at risk of unstable placement.** These are youth who require additional supervision and services to address their complex needs. Due to the severity of their issues, it is often challenging to secure adequate placements.

Acuity: The youth classified as at risk of unstable placement have extensive DJJ history with open or pending charges and have been in detention multiple times. In addition, most youth have extensive mental health needs. Since July 1, 2022, **77 out of 147 youth qualified for CMH services; 45 were DJJ involved; and 4 were on the APD waitlist.** Concurrently, in a separate study of 91 youth with unstable placements, it was found that 17 were removed due to parent/caregiver refusing to pick up from a treatment facility; 6 were removed due to parent failure to pick up from DJJ; and 26 were removed from guardian or caregiver unable to provide care due to behavioral issues.



These youth are assessed at a higher level of care that requires placement at therapeutic foster homes, at risk group care, or even residential treatment levels of care. Many have **Baker Act history** and have been hospitalized for **self-harm or suicidal ideations** or attempts. Many have chronic **substance abuse** issues, **human trafficking** designations, **sexually reactive** or offending behaviors and **truancy** at school. During FY 22-23, **15 youth** have been identified as having a **violent history or gun charges**. The population often refuse to participate in services or remain in their placements. In addition, some of the children have been **diagnosed with a disability**. The youth on the **APD waitlist** require a much higher level of care that can only be provided by beds controlled by APD; yet APD refuses to permit our placement of these youth in their home.

Recognizing that this issue is not unique to our market, and that prevention at the front end could assist in the decrease of this high acuity population, Embrace Families engaged the Local Review Team for technical assistance to prevent entry of these youth into care. The Central Region Review Team provided their data from 7/1/21-6/30/22. (Although the data incorporated the entire central region to include circuits 5 and 10 as well as circuits 9 and 18, the data is consistent with Embrace Families' youth acuity review.)



Strategies: As acuity became more prevalent and severe, Embrace Families immediately implemented several strategies to address these complex youth.

- Embrace Families has established a **Critical Review Team*.** In addition to Embrace Families Operations, Clinical Staff, Education Managers and DJJ liaisons, the team includes the Conditions for Return Specialists funded by the **Strong Foundations Program.** This group provides a multifaceted review to re-evaluate permanency options, explore reunification, and develop safety plans to address their complex needs.
- Embrace Families added day supervision and 1:1 mentoring services to help ensure the safety and support being provided to intensive need youth in unstable placements.
- Embrace Families has increased higher-level placement capacity and implemented programs to help stabilize youth and aid in achieving permanency. **The National Youth Advocate Program's Constant and Never Ending Improvement (CANEI),** which provides a 26-week, in-home treatment program and intensive wraparound services for at risk or OHC

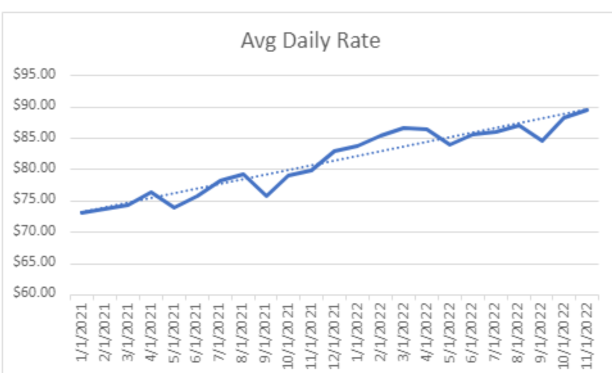
foster youth ages 11-17, is contracted to expand services to relative/non-relative placements. **The Peyton Network** provides in- home behavioral support services to stabilize youth ages 4-12 in foster homes and relative/non-relative placements.

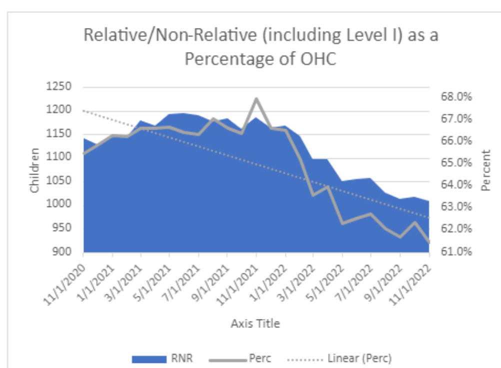
- Embrace Families partners with Orange County to provide intensive support to families of children with multiple Baker Acts through the Breakthrough program. We are in the final stages of working with our third party funder to expand the prevention program to directly serve families involved with the child welfare system.
- Embrace Families has retained Marketing for Change to develop a comprehensive review of related literature and assess best practices in the recruitment and retention of qualified caregiver homes for teens, including those with acute behavioral needs.

Cost: Over the last 10 months, the **costs to care for these youth** have totaled **$1,558,616** with a **monthly rate of $155,861**. Due to the limited statewide capacity for therapeutic placements, Embrace Families has wrapped traditional foster placements with therapeutic services and additional manpower. Correspondingly, the daily rate has increased based on the higher needs of the youth. Most placements willing to take the youth require **1:1 supervision**. In addition, these youth require **services during the day** due to school suspensions or truancy. To ensure safety for those identified with a history of violent behaviors, Embrace Families has utilized **off duty police officers and security** within their service centers to ensure the safety of the youth and the staff. A breakdown of expenses associated with these intensive need youth appear below.

ADD'L EXPENSES FOR YOUTH AT RISK OF UNSTABLE PLACEMENTS Projected 2022-23	Amount	Source
Security Expenses (includes Police Coverage)	**$298,969**	General Ledger
Day Services & Mentoring/1:1 Contracts	**$1,432,817**	General Ledger
Client Meals	**$9,308**	General Ledger
New Contracts – CANEI, Peyton Network	**$90,257**	General Ledger
Estimated Total	**$1,831,351**	

INCREASE IN NUMBER OF LICENSED PLACEMENTS AND COST OF CARE





During FY 2022-2023, Embrace Families has faced the challenge of increased costs of placements, which has compounded with a rising level of licensed placements and decline in relative/non-relative placements. While encountering an unprecedented level of acuity in the population, a reduction in available residential group homes, and an increase in costs, Embrace Families has done a good job at decreasing the total number of children in out of home care. Between July 2021 and October 2022, the system experienced a **15% reduction in the total youth served.** Despite the reduction, the average daily rate has increased steadily since January 2021.

The issue is twofold. First the average **daily rate** for OHC has **increased by $10.33/day**.

Second, while overall OHC numbers have decreased, the **number of children in licensed placement has increased**, which has created a heavy financial burden. This change is due to a decline in relative placements, which is attributable to the acuity issues described above. In addition, the decrease in relative/non-relative placements has occurred at the removal stage, with less placements in kinship care at the beginning of the case. Notably, as detailed in DCF's Sept '22 *Central Region CPI Monthly Trend Report*, the Circuit 9 region reflects the lowest percent of kinship placements in the region. And, in **Osceola**, only **33 percent of the removals had youth placed in kinship**. While Central Florida still ranks third overall in the state for kinship placements, as those numbers decline Embrace Families' budget is hit hard.

	Sep 21	Sep 22
Kissimmee	100.0%	33.3%
Pine Hills	57.1%	71.4%
Robinson	0.0%	54.5%
Saratoga	83.3%	42.9%
Westgate	100.0%	60.0%
Sem Sheriff	54.5%	57.1%

Strategies:

- Embrace Families has licensed over 514 Level I homes since July 2021. This number represents the highest volume of Level I licenses issued in the State.
- To reduce the need for higher levels of care, Embrace Families has focused efforts on converting traditional foster care licenses to enhanced licenses to meet acuity needs. To date: 94 active enhanced licensed beds (45 homes).
- Embrace Families has increased investment in Family Finding Capacity to locate relatives.
- Embrace Families has added staff resources to expedite completion of home studies for family members.

Costs:

INCREASED OHC COSTS Projected 2022-23	Amount	Source
Increase in Annual Out-of-Home Care	**$1,937,207***	Q1 Projection
(- Exclude DCF childcare subsidy)	***(-$300,000)***	One-time payment
Investment in Family Finding	**$280,000**	Q1 Projection
Expedited Home Studies for Kin Placements	**$34,530**	Q1 Projection
Estimated Total	**$1,951,737**	

CASE MANAGEMENT STABILIZATION

As with employers nationwide, our System of Care began to feel the impact of an unprecedented level of workforce resignations in 2021. While the problem was not isolated, it was particularly acute with our case management partners at Children's Home Society (CHS), where we witnessed an inability to recruit and hire, along with their leadership team's failure to address these issues with urgency. Embrace Families team stepped in quickly to provide an extraordinary level of support to this case management operation, including assigning our own qualified and/or certified staff to cases, conducting home studies, securing additional day service providers, recruiting qualified volunteers to provide weekend coverage, and much more. We also responded to our partners' requests to provide retention incentives and increase CM salaries, with assurance that would stabilize the workforce.

At this same time, as the influx of additional state dollars began to make its way to our CBC lead agency colleagues in Florida, starting salaries for case management staff throughout the state began to increase. While Embrace Families did not receive that same influx of dollars, we were actively hiring and now competing with our better resourced colleagues for talent. In an effort to stabilize our system, we found it necessary to further increase compensation offered to this essential component of the workforce. To accomplish this, we reached out to our counterparts in the Central Region: Heartland for Children and Kids Central. Our new compensation rates were based on input from those comparable markets.

	Emb Fam: 21-22	Heartland: 22-23	Kids Central: 22-23	Emb Fam: 22-23
Case Manager	$37,800	$48,000 - $55,000	$47,500 - $51,500	$47,500 - $49,000
CM Supervisor	$53,818	$60,000 - $63,500	$60,000- $63,500	$60,000
Ass't Program Dir	$63,190	$70,000	$70,000	$70,000
Program Director	$73,252	$77,000	$85,000 - $90,000	$77,000

Reports of CHS pulling out of other areas in the state elevated our concern further. In March 2022 we posted an emergency procurement and, in mid-April, selected Camelot as our 4th case management partner. The intent was to place additional teams in East Orange and Seminole, to supplement CHS, while maintaining the overall expense levels by reallocating contract revenue and creating a cost-neutral solution. However, soon thereafter, in June 2022, CHS notified us that they would suspend case management operations in Central Florida. This led to an unanticipated, four-month transition period; which required payment of two case management providers as the transition proceeded, along with the startup costs associated with standing up a new provider.

It was an all-hands-on-deck situation for Embrace Families; and strategies employed to stabilize the system have paid dividends in the short timeframe of 90 days. When the emergency procurement was announced, **CHS** had **41%** of Case Management positions filled in Seminole County and **49%** in Orange County. By way of comparison, for the month of October, year-to-date CMA turnover in Central Florida averaged 9.25% and the net number of case managers remained constant from the prior month. As of October 2022, **Camelot** has **63%** of Seminole County positions filled and **66%** in Orange County. **Gulf Coast** has **70%** of Osceola positions filled; and **OHU** has **82%** in West Orange.

Strategies:

- Bolster case management to strengthen services in cost neutral manner; reacted quickly to replace departing case management team with more stable partner.
- Invested in joint marketing/posting of positions through sharing social media and website resources to assist with filling vacancies. Assisted in expediting background screen process.
- To increase retention, provided concurrent/overlapping Training Classes / Field Support Trainers / On Call Unit.

Costs:

CASE MANAGEMENT STABILIZATION EXPENSES Projected FY 2022-23		
Type of Expense	**Amount**	**Source**
Case Management Contract Increases (includes salaries/benefits/tax for contracted case managers)	**$2,675,193**	Q1 Projection
Estimated Total	**$2,675,193**	

SUMMARY

Not unlike the rest of Florida and the nation, Embrace Families has faced the challenge of dealing with a population of youth with severe mental health, developmental and behavioral issues. Confronted with a reduction in placements to care for the youth within systems like DJJ and APD, which have failed to address these populations, Embrace Families stepped up and developed solutions to ensure that the high-acuity youth who enter our system are properly served.

This has been to the financial detriment of Embrace Families. The agency was funded for a system with adequate placements and stable populations, not a system that has youth threatening staff with guns and developmentally delayed children with no placement. Embrace Families is committed to its mission and will always serve those in need, but it must be properly funded to do so. Ensuring adequate resources to serve the most vulnerable population is essential.

Attachment I

Follow Up to Recommendations from FY 2021-22

RECOMMENDATION 1: EFCBC needs to assess the services that were added or increased as a result of their system redesign of its system of care in January 2020 to determine the cost benefit and make adjustments to eliminate low performing or minimally effective services to reduce their costs to fit within their current allocation funding, which is at 101% of optimal funding per the Florida Funding for Children Model.

> **RESPONSE:** Florida's Child Welfare system was allocated $150,498,489 in additional recurring funds, effective FY2022-23. Out of the $150,498,489 of additional funding, Embrace Families received $1,933,013 -- or 1% of the funds. This has left us with the same critical need as our colleagues to stabilize our workforce and provide higher level interventions, but without dedicated resources to do so. With that allocation of new resources, Embrace Families, which manages a system of care accounting for 12 percent of child population – is driven deeper into an already inequitable funding hole. In FY2022-23, Central Florida only receives 7.35% of core funding. In comparison, in the 2021-2022 fiscal year, Embrace Families had 8.4% of core funding.

RECOMMENDATION 2: EFCBC needs to assess the services that were added or increased as a result of their system redesign of its system of care in January 2020 to determine the cost benefit and make adjustments to eliminate low performing or minimally effective services to reduce their costs to fit within their current allocation funding, which is at 101% of optimal funding per the Florida Funding for Children Model.

> **RESPONSE:** Embrace Families embarked on a system redesign initiative prior to the COVID-19 pandemic. This innovative initiative was carefully designed based on feedback from a wide variety of system of care stakeholders, including: caregivers, case management staff and leadership, and community stakeholders, including DCF regional leadership. This feedback led to the design through which case managers focused on specific specialties: Caregiver Support/Child Well Being, Parent Support/Case Plan Completion, and Youth Support/Life Skills. The goals were closely aligned with our state partner goals: to reduce the time families spend in the child welfare system through improved caregiver support, to enhance child well-being and parent engagement, and to increase specialization and focus of the teams supporting our families. Unfortunately, the unexpected and unprecedented impact of the pandemic prevented these goals from being achieved. Embrace Families reset the system of care to the traditional case management structure in FY21-22.

RECOMMENDATION 3: Embrace Families is clearly a child and family focused lead agency, however it needs to operate within the budget. In times of financial crisis, management should triage their programs to minimize potential deficits.

> **RESPONSE:** Embrace Families has active community board oversight and a proven history of responsible fiscal management. As the budget pressures detailed in this application became evident, in an effort to quickly and responsibly address these colliding budget pressures, Embrace Families established a Critical Review Team to evaluate permanency, reunification and safety plan options on a case-by-case basis. The statewide Strong Foundations team was engaged as part of this CRT. In addition, Embrace Families leadership reached out directly to the DCF Office of The Assistant Secretary of Administration for technical assistance and budget analysis. Specifically, we sought triage recommendations and comparisons with like CBCs. We enthusiastically seek, and welcome, productive and solution-oriented recommendations that are in the best interests of the kids and families we serve.

RECOMMENDATION 4: Embrace Families should develop programs to reduce their reliance on residential group care and examine their daily cost of care for the existing placements.

> **RESPONSE:** Embrace Families has developed processes and programs to reduce the reliance of residential group care. This includes enhancement of the Family Finding Program to locate relatives and complete home studies for

placement in relative care; expansion of the Safe at Home program to prevent youth into coming into care; conversion of traditional foster homes to Enhanced Foster Homes; and focused recruitment on large family foster homes.

We are proud of progress in this area. Since July 2021, Embrace Families has **licensed over 514 Level l homes**. This number represents the **highest volume of Level l licenses issued in the State.** In fact, the next closest CBC in volume during the same time period licensed 486 homes. Embrace Families consistently ranks in the top two CBCs for the highest number of Level l licensed homes. Embrace Families is currently at 40.36% Level l licensed homes, above the statewide average of 36.79%.

Embrace Families has also focused efforts on recruiting and licensing Large Family Foster Homes. While efforts are ongoing in this realm, to date, Embrace Families has licensed one large family foster home for a total of six new beds (Key Haven). Another is in process through our partners at OHU, which is scheduled to be licensed in December 2022. This will add four additional beds specializing in hard to place males.

As for the rates of Residential Group Care, the IV-E Budget Template and additional requirements for Residential Group Care has increased the daily rate for these providers throughout the state and within the Embrace Families system of care. Additionally, the increased cost of direct care staff and physical plant has compounded the increase in rate. These financial impacts have added additional pressure to our strapped OHC budget.

RECOMMENDATION 5: Embrace Families should seek re-investments and recoupments from other contracts (with discussion and agreement by the providers).

RESPONSE: Embrace Families has changed the method of payment for Case Management contracts from fixed price to a two month advance and cost reimbursement. This approach allows Embrace Families to manage the cash outlay, while providing our Case Management agencies partners with the necessary cash flow to begin the fiscal year. This will also minimize the need for recoupment.

RECOMMENDATION 6: Embrace Families should act more swiftly when an agency begins to struggle. It appears that two years was a long time to extend help and support to a struggling CMA, despite which the CMA collapsed anyway.

RESPONSE: Embrace Families intervened swiftly to address the performance of CHS as they struggled with the filling of case management positions. Recognizing partner delays in addressing critical workforce shortages, Embrace Families directly intervened to bolster services available to families; and quickly released an Emergency Procurement. While the decision by CHS to vacate their contract was unanticipated, the early selection of Camelot to provide Case Management services in East Orange and Seminole County helped bring additional stability to our market, has led to decreased vacancies, and has increased retention in those areas.