

**Risk Pool Peer Review Committee Report**  
**NWF Health Network – Circuits 2 and 14**  
**Fiscal Year 2020-2021**

**Executive Summary:**

Big Bend Community Based Care, Inc. dba NWF Health Network (NWFHN) submitted an application for risk pool funding on December 16, 2020. The application was subsequently reviewed by the Northwest Region and submitted to the Office of Revenue Management and Partner Compliance.

The department established a Risk Pool Peer Review Committee pursuant to section 409.990(7)(c), F.S. for State Fiscal Year (FY) 2020-2021, 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 330) for State Fiscal Year 2020-2021. 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 a financial viability plan from all lead agencies.

Due to the COVID-19 pandemic this fiscal year, the Risk Pool Peer Review team conducted a review virtually with relevant information available from multiple sources to make recommendations. The documents reviewed are below:

- Risk Pool Funding Application FY 2020-2021
- Financial Viability Plan FY 2020-2021
- Budget Projections provided by the CBC
- [The Child Welfare Dashboard](#)
- [CBC Contract Monitoring Reports](#)
- [Previous Risk Pool Reports](#)
- [The Child Welfare Key Indicators Monthly Report](#)
- Florida Safe Families Network (FSFN) Aggregate Payment Data
- Status Update on CBC Contract Oversight Unit (COU) monitoring
- Status Update on Prior Risk Pool Recommendations (if any)

As a part of the review, the team evaluated all available information from previous on-site visits, current data and monitoring reports. To resolve any outstanding questions, additional information was requested by the team from the CBC which allowed the team to make an enhanced recommendation without an on-site visit being conducted by Risk Pool Review Committee.

The Risk Pool Peer Review Committee for NWFHN consisted of:

Lee Kaywork, Team Leader

Lauren Hahn, CFO, Communities Connected for Kids

Larry Rein, CEO, ChildNet, Inc.

Nadereh Salim, CEO, Children's Network of SW Florida

James Weaver, DCF Director of Protective and Supportive Services

Barney Ray, DCF Director of Revenue Management and Partner Compliance

Raeann Bacchus, DCF Southern Region, Regional Managing Director

Eddie Encarnacion, DCF Northeast Region, Regional Managing Director

Stephanie Hayden, DCF Quality Office Manager

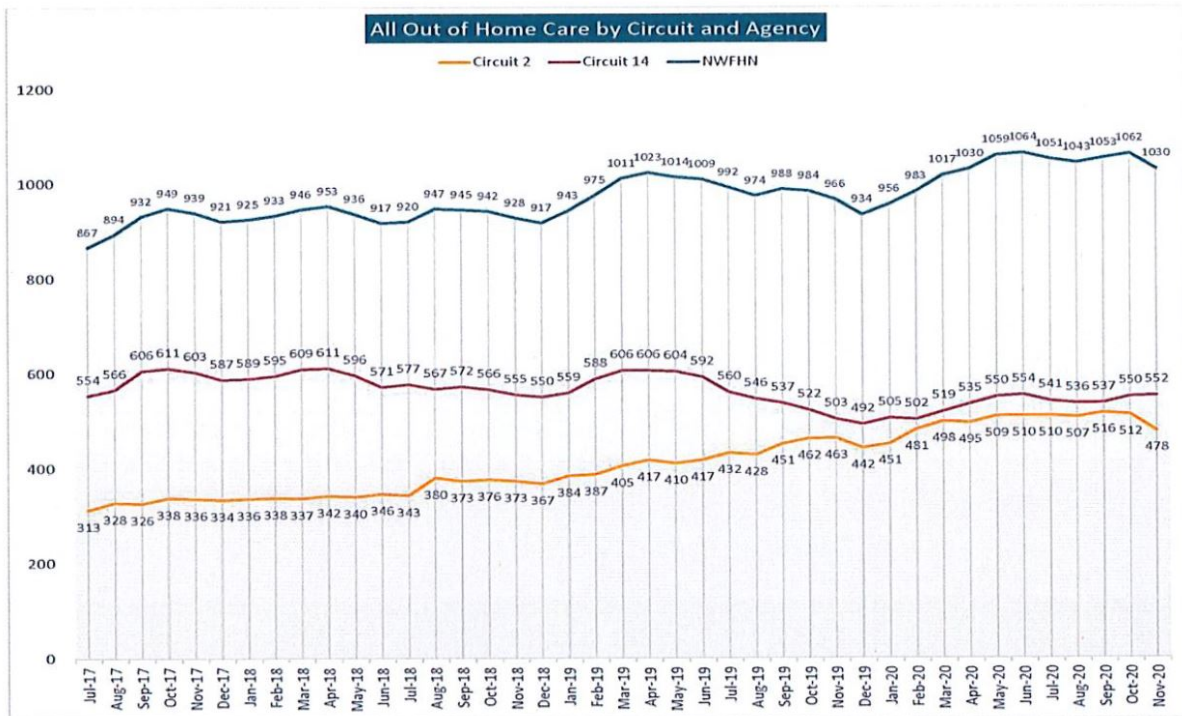
While the specific areas of review and analysis varied based on the unique needs and circumstances of each Region, Circuit and Lead Agency, the following framework provided an outline for organizing the work of the Peer Review Committee.

**Application Summary:**

NWF Health Network's application for risk pool funding requested \$3,987,079. Funding is requested to address significant changes in the number or composition of clients eligible to receive services; specifically, children in out-of-home care.

The primary causes NWFHN attributed to their current financial challenges are outlined below:

- Ongoing and significant impacts from Hurricane Michael which devastated the area in October 2018. The effects of the hurricane are still being felt in the area, even two years post-storm.
- A large number of children in group care.
- A steady increase in the number of children entering out-of-home care with a corresponding decrease in children exiting care.
- Impact of the worldwide pandemic which has dramatically affected the Panhandle of Florida still recuperating from the hurricane.
- The combined effects of the hurricane and the pandemic have resulted in issues with recruiting and retaining foster homes.
- The combined impact of the hurricane and pandemic have challenged the lead agency to recruit, hire and retain qualified staff; resulting in an increase in caseloads.



The above chart provided by the NWFHN shows that while the number of children in out-of-home care has remained relatively unchanged since at least July 2017 for Circuit 14, there has been a 53% increase in Circuit 2 over the same time period. This is a net increase of 165 children in out-of-home care. To compound the problem of increased entries into out-of-home care is that children are exiting out-of-home care at a very low rate in comparison to performance target and state average. The slowdown in exits and the increase in entries is overwhelming the system.

NWFHN brought case management in house for Bay County in August 2019.

**Findings:**

After review of the information provided the Peer Review Committee was able to reach the following findings:

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

- Sources: ([The Child Welfare Key Indicators Monthly Report](#), [The Child Welfare Dashboard](#), [CBC Contract Monitoring Reports](#))
- Summary below, See CBC Contract Monitoring Report, sections 2, 11, and 12 for more details

- 1.1. **What is the relevant community context within which the child welfare system operates?**
- 1.2. **This may include incidence of calls to the hotline, child poverty in the area, local factors that influence the need for services, etc.**
- 1.3. **Factors may also include community resources available to meet the needs of children and families such as Children’s Services Councils, local governmental resources or other unique factors.**

NWFHN operates in Circuits 2 and 14 (Bay, Calhoun, Franklin, Gadsden, Gulf, Hamilton, Jackson, Jefferson, Leon, Liberty, Wakulla and Washington Counties). Child Protective Investigations and Children’s Legal Services are performed by the department. NWFHN is also the Managing Entity in Circuit 1 (Escambia, Santa Rosa, Walton and Okaloosa Counties), Circuits 2 and 14 and a portion of Circuit 3 (Madison and Taylor Counties). The rural nature of most counties served by NWFHN presents a challenge to the provision of diverse and readily available services and places a burden on case managers in implementing their case plans with families.

| Census Facts   |          |          |          |          |           |          |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| US Census Facts  | Florida  | Wakulla  | Bay      | Leon     | Jefferson | Gulf     | Franklin | Gadsden  | Washingt | Holmes   | Calhoun  | Jackson  | Liberty  |
| Median Household Income  | \$55,660 | \$61,410 | \$54,316 | \$53,106 | \$47,240  | \$47,712 | \$46,643 | \$41,401 | \$37,022 | \$39,102 | \$38,568 | \$39,872 | \$38,015 |
| Percent of population living in poverty                          | 12.7%    | 12.0%    | 12.1%    | 20.8%    | 17.6%     | 14.0%    | 19.2%    | 19.7%    | 20.1%    | 20.1%    | 20.3%    | 19.4%    | 23.0%    |
| Percent of population over 25 years old with a college degree    | 29.9%    | 18.3%    | 23.7%    | 46.2%    | 22.3%     | 19.2%    | 18.8%    | 16.2%    | 12.5%    | 10.7%    | 9.5%     | 12.6%    | 14.4%    |
| Percent of population over 25 years old with high school diploma | 88.2%    | 87.7%    | 90.7%    | 93.5%    | 82.0%     | 85.5%    | 80.7%    | 79.8%    | 81.3%    | 78.7%    | 76.9%    | 80.5%    | 81.4%    |

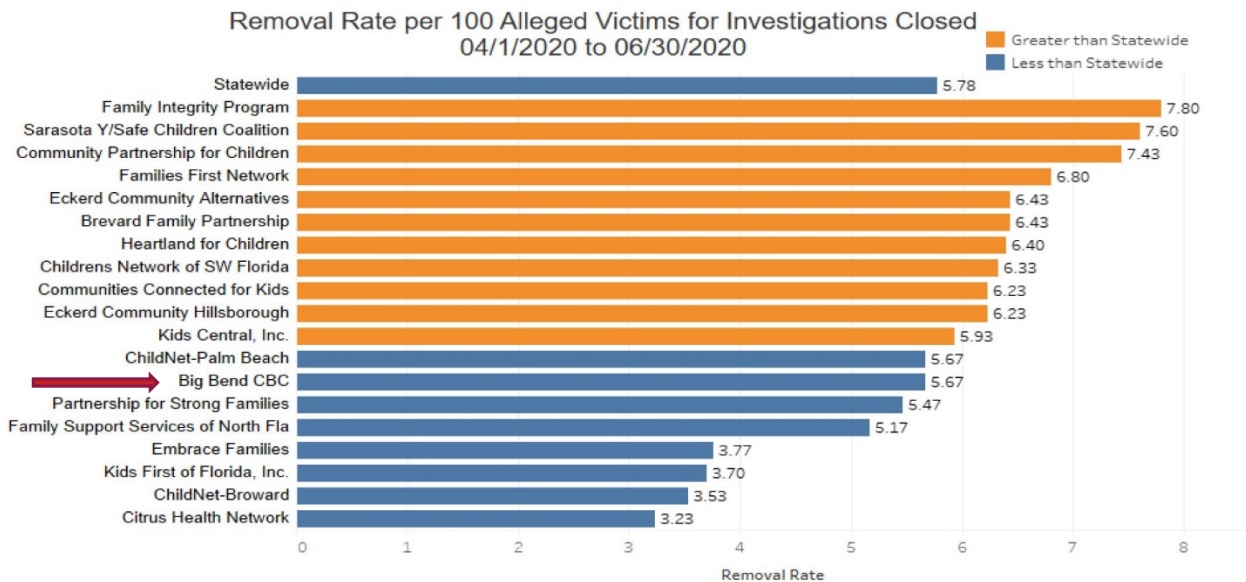
Data Source: census.gov/quickfacts (2015-2019)

According to the US Census Facts, all counties served by NWFHN, with the exception of Wakulla and Leon Counties, have higher poverty rates than the statewide average rates. All counties except Wakulla have lower median household incomes than the statewide average. In ten of the twelve counties, a lower percentage of the population over the age of 25 has earned a high school degree and, with the exception of Leon County, a lower percentage of the population over the age of 25 has earned a college degree than the statewide average rates.

**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.**

- Sources: ([The Child Welfare Key Indicators Monthly Report](#), [The Child Welfare Dashboard](#), [CBC Contract Monitoring Report](#))
- Summary below, See CBC Contract Monitoring Report, sections 5, 9, and 11 for more details

- 2.1. **What are the rates of removal, rates of verification and other measures from protective investigations that affect the need for child welfare services? How have these measures changed over time and how do they compare with other areas of the state?**
- 2.2. **What activities are in place to provide support to protective investigators and families to permit children to remain safe in their homes? What services are provided with funds used for prevention and intervention?**
- 2.3. **What services are provided with funds used for prevention and intervention? How well integrated are the CPI, safety management and intervention services components? Are there case transfer issues that affect performance?**
- 2.4. **How well integrated are the CPI, safety management and intervention services components? Are there case transfer issues that affect performance?**

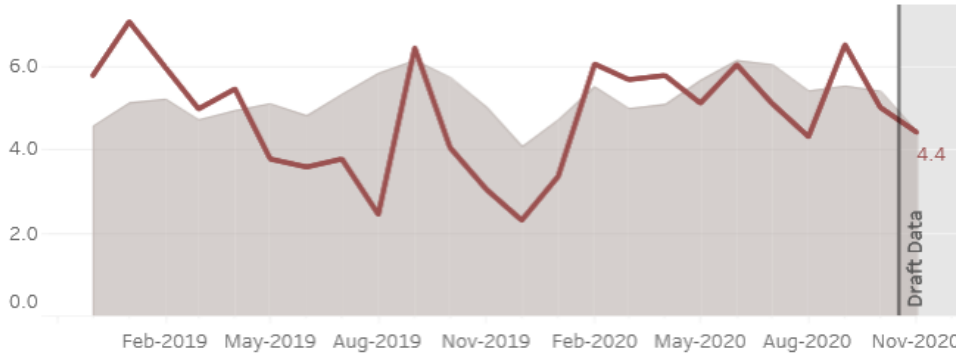


The removal rate per 100 alleged victims from 4/1/2020 to 6/30/2020 is slightly less than the statewide average, as shown in the graphic above. Removal rates have trended just below the statewide average for several years.

### Removal Rate per 100 Alleged Victims

(Age(s): All | Gender(s): All | Race(s): All)

The shaded area is the statewide percentage for comparison.



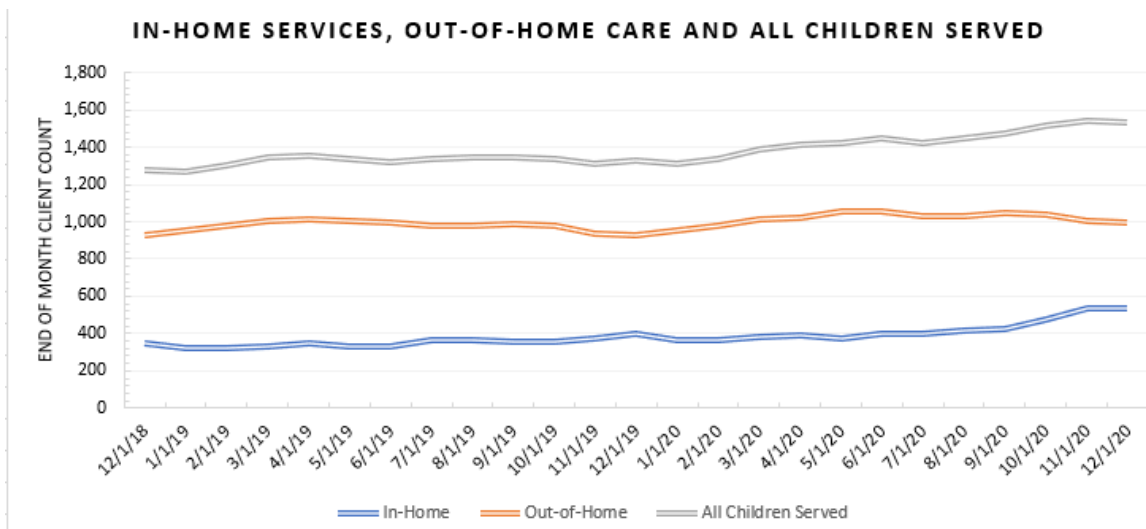
Data supports that the system of care is efficient in time from removal to disposition however after disposition, cases appear to stall in the system and are not effectively moving towards closure.

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

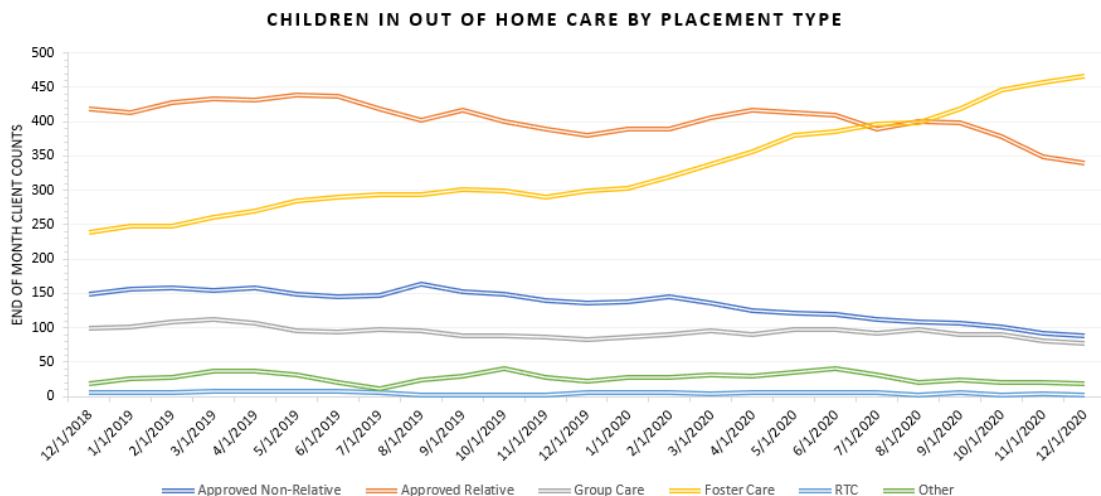
- Sources: ([The Child Welfare Key Indicators Monthly Report](#), [The Child Welfare Dashboard](#), [CBC Contract Monitoring Report](#), CBC Financial Viability Report, CBC Financial Viability Integrated Data Report, CBC Budget Projections, and Florida Safe Families Network (FSFN) Aggregate Payment Data)
- Summary below, See CBC Financial Viability Integrated Data Report, CBC Budget Projections, CBC Financial Viability Report, and [CBC Contract Monitoring Report](#) for additional details.

- 3.1. **What is the composition of the children in care including age cohorts, placement types, use of specialized higher costs settings, use of congregate care, etc.**
- 3.2. **What is the cost of various placement types? To what extent are the rates paid for foster care (including care with various rates of intensity), congregate care consistent with statewide norms (considering community context)? Have these rates remained relatively consistent over the past few fiscal years?**
- 3.3. **What is the cost for dependency case management? Is this consistent with norms for such services? Have these rates remained relatively consistent over the past few fiscal years?**

- 3.4. To what extent is the Lead Agency appropriately utilizing non-child welfare funding for services (such as DCF SAMH Funds, Medicaid, and other non-DCF funding sources).
- 3.5. What evidence exists that case management services are well-managed by the Lead Agency? (see overall management section for response)
- 3.6. To what extent is the CBC meeting its obligation to the Family First Prevention goals? Have they reduced reliance on Residential Group care? How much? If not, what is the action plan going forward? Has the CBC met the 40% goal for all relative/non-relative placements licensed as Level I Foster Homes?

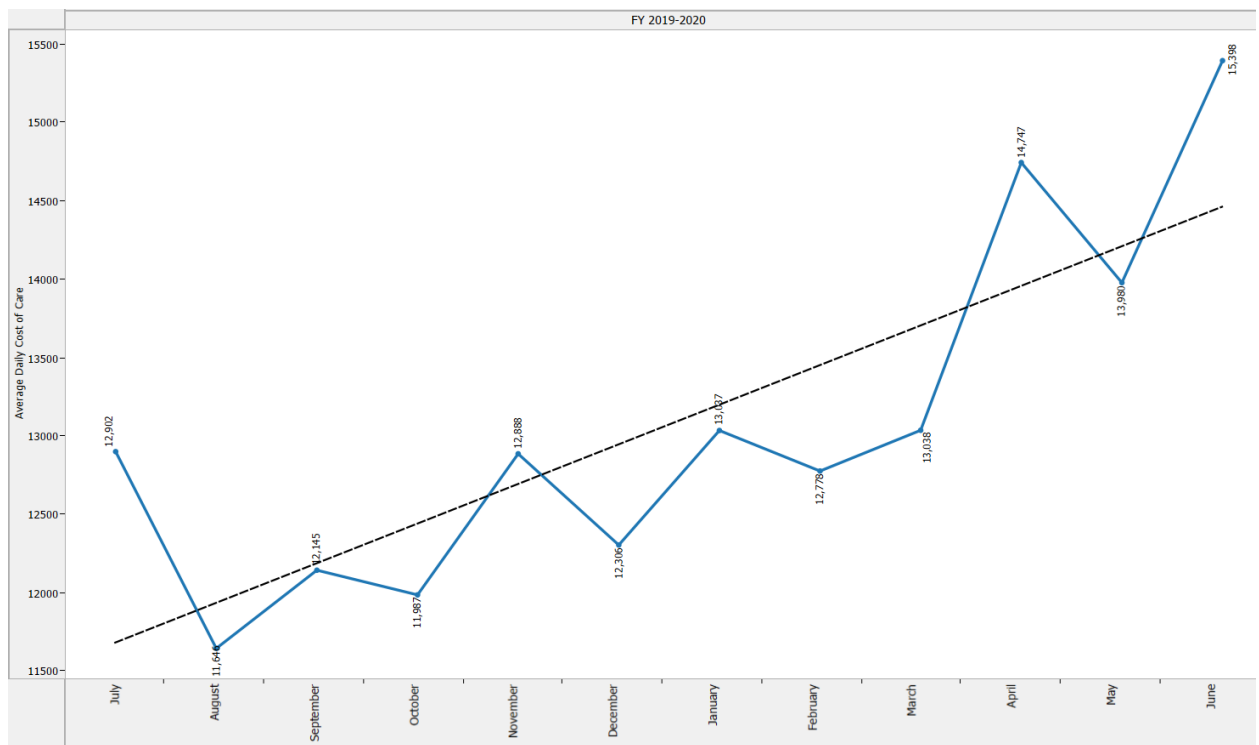


The number of clients being served in-home has been relatively stable until recently while out-of-home care has increased over the same time period. The increase in out-of-home care over the two-year time period (shown above) and the recent increase in in-home care has caused the system to swell to over 1,500 children being served as of October 2020.



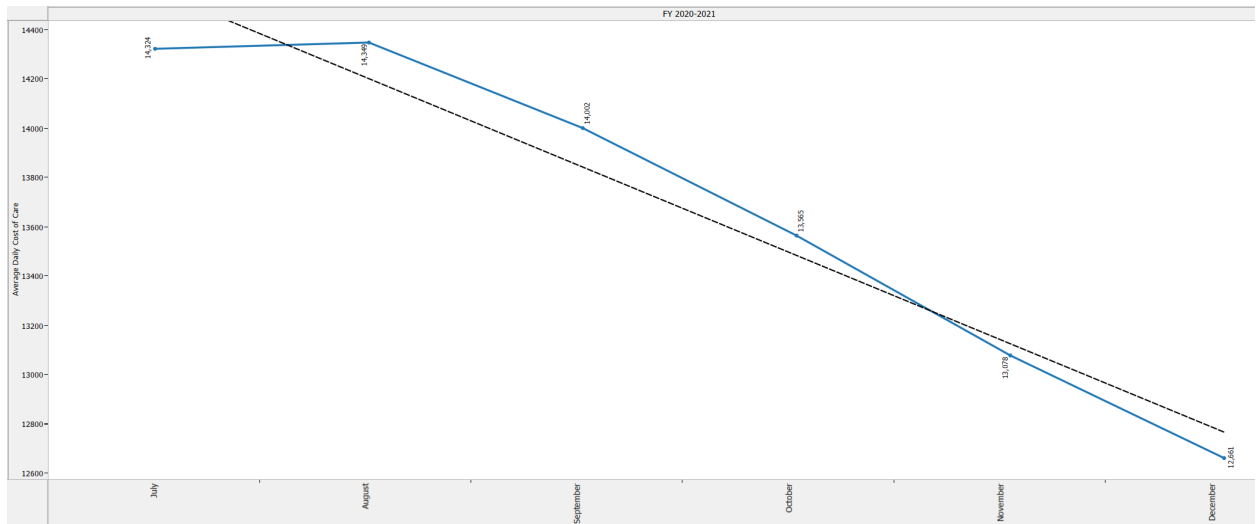
The number of children in group care has decreased from 100 in December 2018 to a total of 78 in December 2020. This equates to 7.9% of NWFHN's out-of-home care population compared to the statewide average of 6.7%. While this decrease represents an 22% decline in the total number of children in congregate care, work remains to be done to reduce the numbers further.

NWFHN has acknowledged that youth in group care is a significant driver of their case management budget. To that end, they have established a goal to achieve and maintain no more than 62 children in congregate care. This would be a reduction of 40 children since July 1, 2020. To accomplish this goal, they propose intense focus on Staffings at the front line, assigned Champions to the 20 highest cost children, expansion of licensed home capacity and executive leadership focus on this important initiative.



NWFHN saw a steady increase in the average daily cost of group care in FY 2019-20. In the last three months of the fiscal year, group care averaged \$14,708/day.



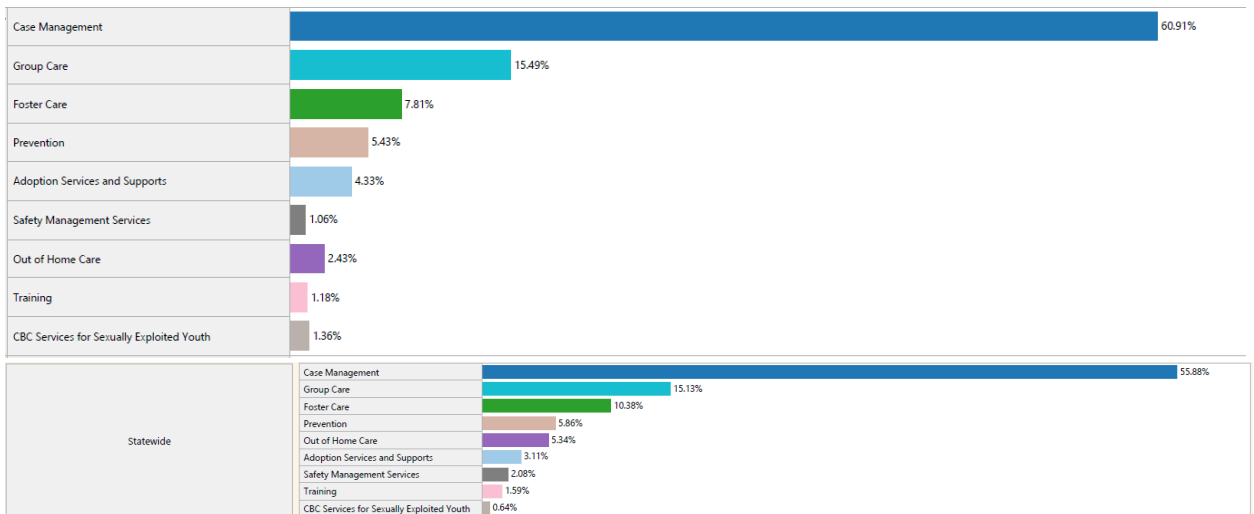


To date in FY 2020-21, the average cost of group care is \$13,663/day and has shown a steady downward trend since August 2020. Continued efforts to move children and youth from congregate care should be made.

| <b>Total \$ of FSFN Payments to Licensed Residential Group Care (OCA LCRGE, LCGHE &amp; LCGHI)</b>      |                    |                    |                                |                               |   |  |
|---|--------------------|--------------------|--------------------------------|-------------------------------|---|--|
| <b>Ages</b>   | <b>FY2018-2019</b> | <b>FY2019-2020</b> | <b>\$ Increase/ (Decrease)</b> | <b>% Increase/ (Decrease)</b> | <b>FY 2020-21 (Thru Nov. Service Mths- 42% of the year)</b> | <b>FY 2020-21 as a % of FY 2019-20</b> |
| 0-5   | \$44,662           | \$9,660            | (\$35,002)                     | (78.4%)                       | \$1,352   | 14%                                    |
| 6-12  | \$1,134,476        | \$1,149,427        | \$14,951                       | 1%                            | \$457,445   | 40%                                    |
| 13-17   | \$3,849,953        | \$3,666,429        | (\$183,524)                    | (4.8%)                        | \$1,665,716   | 45%                                    |
| <b>Total Number of Unique Clients in Licensed Residential Group Care (OCA LCRGE, LCGHE &amp; LCGHI)</b> |                    |                    |                                |                               |   |  |
| <b>Ages</b>   | <b>FY2018-2019</b> | <b>FY2019-2020</b> | <b>Increase/ (Decrease)</b>    | <b>% Increase/ (Decrease)</b> | <b>FY 2020-21 (Thru Nov. Service Mths- 42% of the year)</b> |  |
| 0-5   | 5                  | 2                  | (3)                            | (60%)                         | 1   |  |
| 6-12  | 106                | 86                 | (20)                           | (18.8%)                       | 50  |  |
| 13-17   | 152                | 144                | (8)                            | (5.3%)                        | 101   |  |
| <b>Median Daily Rate \$ in Licensed Residential Group Care (OCA LCRGE, LCGHE &amp; LCGHI)</b>           |                    |                    |                                |                               |   |  |
| <b>Ages</b>   | <b>FY2018-2019</b> | <b>FY2019-2020</b> | <b>\$ Increase/ (Decrease)</b> | <b>% Increase/ (Decrease)</b> | <b>FY2020-21 (Thru Nov. Service Mths- 42% of the year)</b>  |  |
| 0-5   | 117.74             | 120.00             | \$2.26                         | 1.9%                          | 148.00  |  |
| 6-12  | 66.20              | 120.00             | \$53.80                        | 81.3%                         | 120.00  |  |
| 13-17   | 140.00             | 160.00             | \$20.00                        | 14.3%                         | 175.00  |  |

While number of unique clients served are down, group care rates are more costly. The median rate has risen each year. In Fiscal Year 2019-20, there were 232 clients in group care placements. As of November 2020 (Fiscal Year 2020-21), there were 152 clients in group care placements.

### Percent of Core Services Expenditures FY 2020-21



As of November 30, 2020, case management expenditures for FY 2020-21 are 60.91% of NWFHN's budget, above the statewide average of 55.88%. According to NWFHN, salary increases were made last fiscal year partly to assist with the housing crisis, which showed a positive impact on case manager turnover. The same positive impact has been seen regarding caseloads in Bay County. In Bay County, caseloads are lower than they were prior to the salary increase and supervisors are no longer carrying caseloads.

| Bay County Case Manager Turnover |        |
|----------------------------------|--------|
| December 2018                    | 113.6% |
| December 2019                    | 36.4%  |
| December 2020                    | 25.0%  |

*Source: NWFHN's Risk Pool Application Follow-up*

From December 2019 to December 2020, average caseloads have increased 8%, compared to the statewide decrease of 3%. This is a contrast to caseloads in Bay County alone. Despite the across the board salary increases made last year, overall caseloads have not improved.

#### Average Caseload (By Case and Child)

|                      | NWFHN | Statewide |
|----------------------|-------|-----------|
| <b>December 2019</b> | 15.80 | 18.83     |
| <b>December 2020</b> | 17.11 | 18.23     |

There has been a shift in children from relative/non-relative care to Level 1 licensed care beginning in July 2019. As of January 27, 2021, NWFHN has not met the goal of achieving 40% relative/non-relative placements licensed as Level 1 foster homes. NWFHN has 32.82% homes licensed, above the statewide average of 29.14%. The CBC noted that while a significant number of homes have been licensed as Level 1, there have been a high number of new relative/non-relative placements by CPI staff which serves to continually increase the number of homes eligible for the Guardianship Assistance Program. NWFHN made the decision to add additional FTEs for increased licensing and eligibility workload related to the Level I Foster Home initiative greater than the funding provided in the contract for this workload increase. DCF provided funding for the increased workload in the amount of \$471,902; however, NWFHN's total cost (including additional FTE above the DCF allocation is \$679,599, for a difference of \$207,697.

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

- Sources: ([The Child Welfare Key Indicators Monthly Report](#), [The Child Welfare Dashboard](#), [CBC Contract Monitoring Report](#), Financial Viability Integrated Data Report)
- Summary below, see [The Child Welfare Key Indicators Monthly Report](#), [The Child Welfare Dashboard](#), Financial Viability Integrated Data Report, [CBC Contract Monitoring Report](#) – Sections 4 and 11, for more details.

- 4.1. ***What is the performance of the Lead Agency in the recognized measures of children achieving permanence? Do these findings indicate that children are not remaining in care for longer than necessary? Are these permanency achievement rates consistent across placement settings?***
- 4.2. ***What contextual factors (such as Children’s Legal services, dependency court dynamics, etc.) influence time to permanence for children served by the Lead Agency?***
- 4.3. ***Has there been a change in number of exits or time to exit that is materially influencing the cost of out-of-home care?***

### Percent Achieving Permanency within Twelve Months

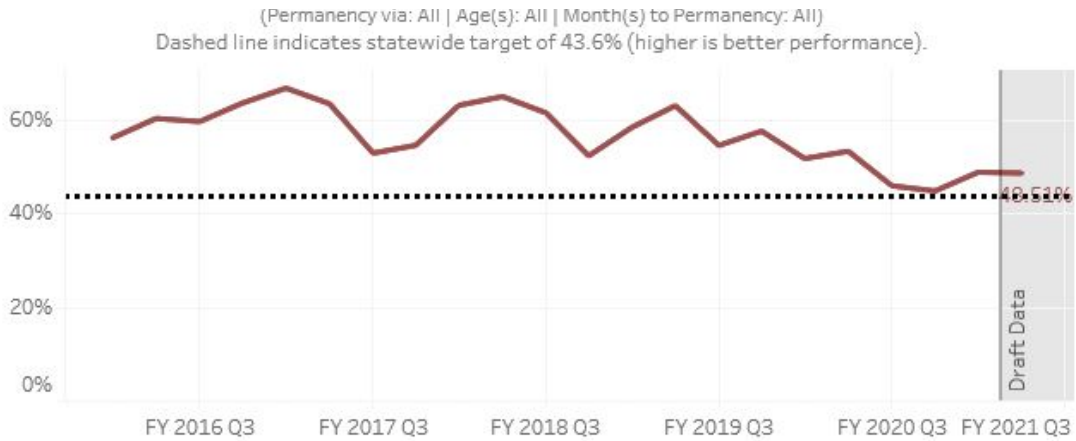
(Permanency via: All | Age(s): All | Month(s) to Permanency: All)

Dashed line indicates statewide target of 40.5% (higher is better performance).



The lead agency has seen a steady trend downward from a high 66.41% of children achieving permanency in 12 months during FY 2010-11. NWFHN last met the statewide target of 40.5% briefly in 2016. Most recently, NWFHN achieved permanency for 150 of 561 children in FY 2020/21, Quarter 1 (26.74%). Currently, NWFHN is last in the state for this metric and is on a Corrective Action Plan for this measure from 2019.

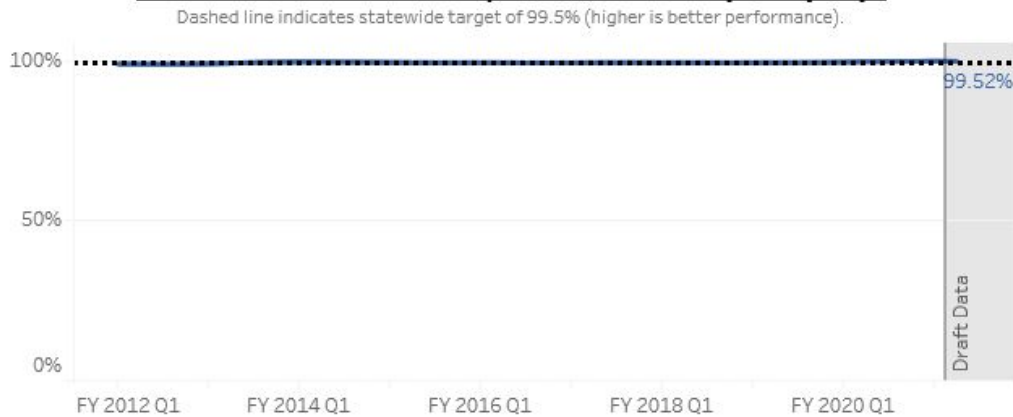
**Children in Care 12 to 23 Months Achieving Permanency w/in 12 Months**



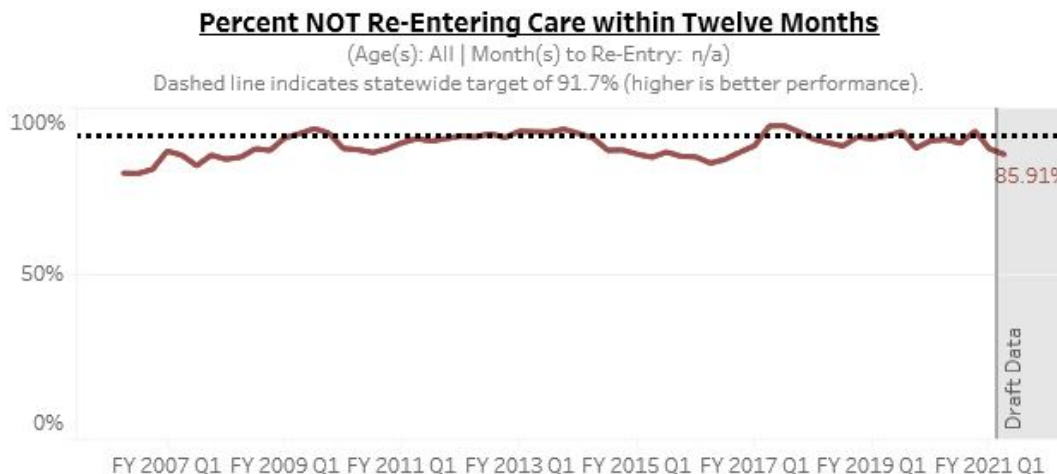
NWFHN has exceeded the statewide target for percent of children in care 12 to 23 months achieving permanency.

Exits from out-of-home care have been decreasing. A confluence of factors has attributed to this decline. Hurricane Michael devastated the area in October 2018, slowing court hearings and access to necessary services. The hurricane also brought major housing issues to the area so in August 2019, NWFHN brought case management services in house. COVID-19 also had a tremendous impact on the already overwhelmed area. Many permanency hearings and terminated parental rights (TPR) hearings have been delayed by the court. In fact, more than 100 TPR trials alone have been reset. The CBC continues to work with Children's Legal Services to gain traction on discharges. It should also be noted that there have been numerous CLS attorney vacancies in the circuit.

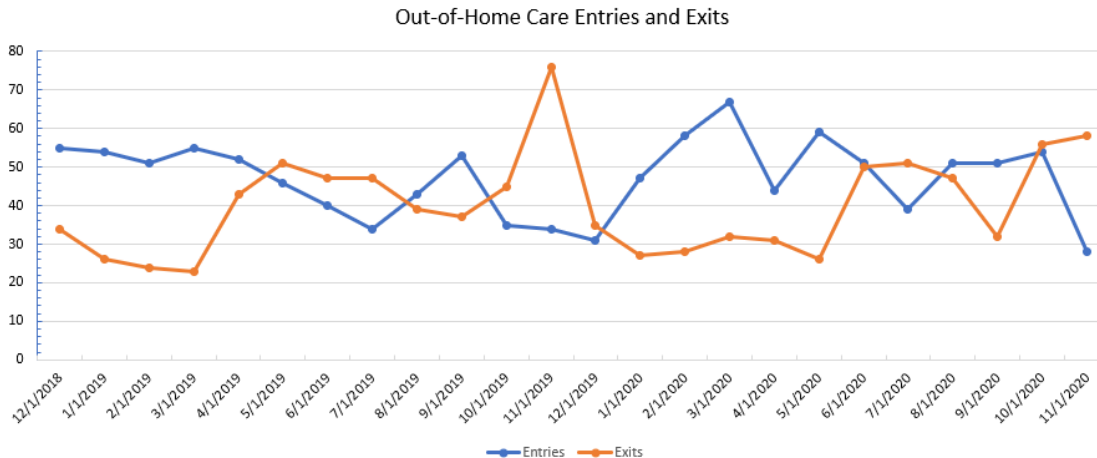
**Percent of Children Under Supervision Seen Every Thirty Days**



NWFHN surpassed the target of seeing 99.5% of children under supervision every thirty days for the first time ever in FY 2012-13, Q3. The agency began struggling again to meet the target in FY 2018-19, Q2.



The statewide target for children not re-entering care within twelve months is 91.7%. In FY 2020-21, NWFHN achieved 92.94% and historically hovers near the target. The lead agency achieved a high of 94.56% in FY 2016-17, Q3 and a low of 83.24% in FY 2015-16, Q2.



Comparing entries to exits over a twelve-month period, there has been a steady increase in the number of entries over exits. While overall, removals are down, exits from care are lower causing the number of children in out-of-home care to swell.

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

- Sources: ([The Child Welfare Key Indicators Monthly Report](#), [The Child Welfare Dashboard](#), CBC Financial Viability Report, CBC Financial Viability Integrated Data Report and CBC Budget Projections)

- Summary below, See CBC Financial Viability Integrated Data Report, CBC Budget Projections and CBC Financial Viability Report for additional details.

- 5.1. **How has core services funding changed over time? (Financial) How has the Lead Agency managed these changes? What adjustments to the available array of services have been made?** (For service array response see section 1)
- 5.2. **How have any changes to core services funding contributed to any projected deficits for FY 2020-2021?**
- 5.3. **What is the ratio of core funding as a Percent of the Allocation formula?**
- 5.4. **In what ways are funding dynamics in the Lead Agency unique or atypical of funding in other Lead Agencies?**
- 5.5. **What is the amount of the anticipated deficit for the current year? How reliable and valid are these projections?**
- 5.6. **Are their options other than Risk Pool funding available to reduce the deficit?**
- 5.7. **If the Lead Agency meets the criteria for Risk Pool funding, but the amount of funding available is insufficient to cover the projected deficit, what other options are available?**
- 5.8. **Are there fiscal practices that could be completed with greater efficiency in order to reduce the projected deficit?**
- 5.9. **Has the most recent CPA audit indicated any issues that would affect the financial health of the organization?**

### Total Funding

| <b>DCF Contract Funds Available at Year End<br/>(by Fiscal Year)</b> | <b>FY15-16</b>      | <b>FY16-17</b>      | <b>FY17-18</b>      | <b>FY18-19</b>      | <b>FY19-20</b>      | <b>FY20-21</b>      |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Core Services Funding  | \$25,442,910        | \$25,537,423        | \$25,649,578        | \$25,781,448        | \$26,516,353        | \$27,412,569        |
| Risk Pool Funding  | \$0                 | \$0                 | \$0                 | \$577,224           | \$776,003           | \$0                 |
| CBC Operations "Back of the Bill" Funding                            | \$0                 | \$0                 | \$828,155           | \$0                 | \$1,570,948         | \$0                 |
| Other Amendments to Initial Allocations                              | \$283,151           | \$140,811           | \$266,114           | \$768,939           | \$424,676           | \$0                 |
| <b>Amended Core Services Funding</b>                                 | <b>\$25,726,061</b> | <b>\$25,678,234</b> | <b>\$26,743,847</b> | <b>\$27,127,611</b> | <b>\$29,287,980</b> | <b>\$27,412,569</b> |
| <b>Funding not defined as Core Services Funding</b>                  |                     |                     |                     |                     |                     |                     |
| Independent Living (IL and Extended Foster Care)                     | \$994,718           | \$994,718           | \$1,055,921         | \$1,394,979         | \$1,394,979         | \$1,394,979         |
| Children's Mental Health Services (Cat 100800/100806)                | \$421,235           | \$421,235           | \$421,235           | \$421,235           | \$421,235           | \$421,235           |
| PI Training, Casey Foundation or other non-core svcs                 | \$0                 | \$0                 | \$0                 | \$0                 | \$57,320            | \$243,579           |
| Safety Management Services (Nonrecurring)                            | \$0                 | \$199,188           | \$0                 | \$199,188           | \$199,188           | \$0                 |
| <b>Total at Year End</b>   | <b>\$27,142,014</b> | <b>\$27,293,375</b> | <b>\$28,221,003</b> | <b>\$29,143,013</b> | <b>\$31,360,702</b> | <b>\$29,472,362</b> |
| Maintenance Adoption Subsidy (MAS)                                   | \$7,767,576         | \$8,201,856         | \$8,871,660         | \$9,517,167         | \$10,417,535        | \$10,925,147        |
| Guardianship Assistance Payments (GAP)                               |                     |                     |                     |                     | \$40,101            | \$40,101            |
| MAS Prior Year Deficit   | -\$183,871          |                     |                     |                     |                     |                     |
| Carry Forward Balance from Previous Years                            | \$14,911            | \$549,310           | \$475,457           | \$49,199            | \$328,831           | -\$830,631          |
| <b>Total Funds Available</b>   | <b>\$34,740,630</b> | <b>\$36,044,541</b> | <b>\$37,568,120</b> | <b>\$38,709,379</b> | <b>\$42,147,169</b> | <b>\$39,606,979</b> |

In FY 2018-19 and FY 2019-20, NWFHN received risk pool funding. Additionally, in FY 2019-20, NWFHN received "Back of the Bill" funding for an operating deficit. In FY 2019-20, NWFHN had a carryforward deficit of \$830,631.

## Expenditures on Core Services and Administration

| Reported Expenditures by Fiscal Year                 | FY15-16             | FY16-17           | FY17-18           | FY18-19           | FY19-20           |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|
| Administrative Costs                                 | \$1,528,698         | \$1,601,258       | \$952,588         | \$1,883,828       | \$2,168,845       |
| Admin Cost Rate (Exp as % of Total Allocations)      | 4.4%                | 4.5%              | 2.6%              | 4.9%              | 5.2%              |
| <b>Core Services Expenditures</b>                    |                     |                   |                   |                   |                   |
| Dependency Case Management                           | 14,471,003          | 14,919,799        | 13,767,759        | 13,619,821        | 18,440,007        |
| Adoption Services Promotion & Support                | 1,367,868           | 1,473,435         | 1,405,500         | 1,306,315         | 1,238,334         |
| Prevention/Family Support/Family Preservation        | 2,182,127           | 2,119,239         | 1,794,106         | 1,387,987         | 1,769,675         |
| Client Services                                      | 641,445             | 792,218           | 1,793,522         | 1,673,285         | 993,874           |
| Training - Staff and Adoptive/Foster Parent          | 979,922             | 969,906           | 1,532,114         | 1,648,849         | 430,647           |
| Licensed Family Foster Home (Level I Child Specific) | 0                   | 0                 | 0                 | 0                 | 123,865           |
| Licensed Family Foster Home (Level II-V)             | 1,262,181           | 1,318,343         | 1,434,680         | 1,662,745         | 2,376,081         |
| Licensed Facility Based Care                         | 3,191,321           | 3,393,602         | 4,441,854         | 5,016,427         | 4,781,639         |
| Services for Victims of Sexual Exploitation          | 0                   | 0                 | 0                 | 0                 | 7,295             |
| Safety Management Services                           | 0                   | 76,269            | 140,085           | 303,571           | 345,919           |
| Other  | 0                   | 0                 | 0                 | 0                 | 0                 |
| <b>Core Services Expenditures</b>                    | <b>\$24,095,867</b> | <b>25,062,811</b> | <b>26,309,620</b> | <b>26,619,000</b> | <b>30,507,336</b> |



## Core Services Expenditures by Category

When comparing core service expenditures by category, FY 2019-20 had a significant increase in dependency case management from \$13.6M to \$18.4M representing a 26.1% increase. Prevention/Family Support/Family Preservation spending increased by 21.5%. Safety Management Services had a 13% increase.

According to their application, NWFHN has sought out, and received, additional funding sources through state and federal grants. In the past twelve months, NWFHN has been awarded approximately \$7.9M in grants related to mental health services with a focus on child welfare and Hurricane Michael Behavioral Health recovery efforts. While this has helped with overall services for client, NWFHN has still realized a budget deficit for the current fiscal years.

NWFHN requested an extension in submitting their required single audit which is not expected to be completed until March 2021.

### **FY 2020-21 Financial Viability Plan**

In their design and instruction for the Financial Viability Plan (FVP) templates, DCF requested that CBCs identify their actions to address three primary cost drivers:

1. Factors related to entries into care
2. Factors related to the cost of children while in care
3. Factors related to exits from care

NWFHN's FVP contains actions to address the three primary cost drivers affecting their financial position. The specific actions include:

- Increase in-home case management cases across their system of care.
- Partner with internal and external stakeholders to identify and overcome barriers to keeping children safe in their homes.
- Executive Leadership oversight to minimize children in group care due to capacity limitations, delays in home studies for relatives/non-relatives in Florida and via the ICPC process.
- Re-initiate Discharge Planning Team protocol.
- Increase available foster care homes with targeted recruitment.
- Increase Level 1 licenses for eligible placements.
- Increase the number of children in licensed care exiting the dependency system within 18 months.
- Ensure fiscal accountability in the utilization of Purchase of Services expenses by increasing enrollment for children on the Child Welfare Specialty Plan and work with providers to become Medicaid providers.

- Reduction in conference/training expenses due to COVID-19 and ability to conduct virtually outside of the public health crisis.
- Reduction in mileage/travel expenses due to COVID-19.
- Eliminate or freeze FTEs.

The cost savings identified in the FVP are reflected in budget projections.

Paycheck Protection Program (PPP) funds estimated at \$1.4M cover costs in November and December and are reflected in the projected deficit.

**6. Findings related to overall management.**

- Sources: ([CBC Contract Monitoring Report](#), Financial Viability Plan)
- Summary below, [CBC Contract Monitoring Report](#) – Sections 4 and 11, and the Financial Viability Plan for more details.

- 6.1. ***To what extent is there clear and effective communication between and among the Region, the Lead Agency, the Sheriff (if applicable), case management organizations and other key community partners?***
- 6.2. ***How actively and effectively does Lead Agency management track programmatic performance and fiscal performance?***
- 6.3. ***What actions have been taken by the Region and/or the Lead Agency to resolve the fiscal issues without accessing the Risk Pool? What further actions are planned?***

**Follow up to FY2019-20 Risk Pool Recommendations.**

| <b>Recommendation</b>   | <b>Action/Update</b>   |
|---|--|
| NWFHN should continue to request and accept the Department's assistance in the form of sending experienced employees and/or contractors to help with one or more areas of specific need which could help improve case manager stability, discharges to permanency, and the effectiveness of frontend services and reduce the number of children ages 6-12 in RGC. | NWFHN will continue to reach out to, and work with the Department to address issues that may arise.                        |
| Risk Pool funding provides a stopgap (non-recurring) resource intended to mitigate  | NWFHN understands these funds are non-recurring; however, the two disasters we have faced in the past two years, Hurricane |

| Recommendation  | Action/Update  |
|---|--|
| <p>unanticipated changes in the number of clients and/or services needed for clients; it is not designed to annualize expenses. NWFHN should develop a plan to meet existing and trending client needs while reducing costs more in-line with their recurring core services funding allocation in anticipation of being financially viable by the end of the fiscal year.</p> | <p>Michael and the COVID-19 pandemic, have hampered their ability to aggressively and effectively implement and accomplish our goals in our Financial Viability Plan.</p>  |
| <p>NWFHN should continue initiatives itemized in last year's Risk Pool Report.</p>  | <p>NWFHN has developed and will continue to develop and modify the FVP and utilize it as a guide to attain a stronger financial footing.</p>   |
| <p>NWFHN must focus on its corrective action plan for children exiting foster care to a permanent home within twelve months of entering care.</p>   | <p>Recognizing several contributing factors to achieving permanency timely, NWFHN recognizes the need for early engagement. Additionally, ownership must be at the case management level, not the lead agency. A Care Coordination team was established to focus on timely permanency for children in licensed care.</p> |
| <p>NWFHN should reduce their reliance on group care with an emphasis on reducing the number of children over the age of 15 in RGC.</p>  | <p>NWFHN consistently has no children under the age of 5 in group care. Since July 1, 2020, there has been a reduction of children and youth in group care from 102 to mid-80 as of December 16, 2020. In the next month, NWFHN anticipates another 10 children to exit congregate care.</p>                             |
| <p>NWFHN should continue monthly, or more frequent, formal case reviews of all children placed in group care to identify children who could be moved to a less restrictive placement.</p>   | <p>NWFHN conducts child specific staffings with case management, foster family supports and placement regarding children in group care. Additionally, the CBC has assigned Champions to this population of children.</p>   |
| <p>NWFHN should collaborate with the department to increase utilization of diversion services as a safe alternative to removals.</p>  | <p>NWFHN established an in-home unit in one of the highest removal counties. NWFHN began early engagement/rapid case assignment of case managers. Earlier engagement of case management should lend to better</p>  |

| Recommendation   | Action/Update  |
|--|--|
|  | communication and movement in the initial phase.   |
| NWFHN should increase efforts to stabilize the workforce and reduce case manager turnover. | NWFHN has brought case management in-house in Bay County in order to stabilize the work force and bolster the ability to recruit and retain skilled employees. Additionally, NWFHN has increased salaries in order to reduce turnover. Workforce turnover among NWFHN has stabilized over the last year. |
| NWFHN must continue to work on their financial viability plan.                             | NWFHN has continued to work in collaboration with the department on their FVP.   |

**7. Other factors or considerations noted on the application or determined relevant by the Peer Review Committee.**

NWFHN has utilized secondary funding sources (Risk Pool, Back of the Bill and LBC amendments) the past three years for a total allocation of \$3,752,330.

**8. Provide a detailed analysis of the projected Return on Investment (ROI) in terms of future cost avoidance, reduction in Out of Home Care, increase in prevention in-home services, reduction in removals or other related factors.**

NWFHN did not provide specific calculations on a Return on Investment.

**9. The areas identified above are illustrative of the expected areas for review and analysis, but additional factors may be identified in the application or suggested by findings during the course of the Peer Review Committee's work.**

**Summary of Findings:**

Based on the information reviewed the Risk Pool Review Committee was able to affirm the following:

- NWFHN is funded at 91.4% of optimum funding based on the Florida Funding for Children model.
- Circuits 2 & 14 are still recovering from Hurricane Michael which has impacted living arrangements for both employees and foster parents, court calendar, service delivery, employee and foster parent recruitment and other key functions of the community support.
- The COVID-19 pandemic has exasperated the circuit disruption.

- The discharge rates have been declining in part due to court calendar back log and high Children's Legal Services (CLS) attorney vacancies.
- NWFHN funded Level 1 licensing specialist positions at a total cost of \$679K. This is above the funding provided by DCF in the amount of 471K.
- NWFHN funded two coordinator positions for Early Childhood Court when the court decided not to fund the position despite funds allocated for that purpose by the legislature.
- NWFHN increased the Case Management salary levels to stabilize the work force and attract new case workers. This was designed to offset some of the impact of the loss of affordable housing due to shortages caused by Hurricane Michael. This increase resulted in case manager stability it has not resulted in lower caseloads in combined circuits 2 and 14.
- NWFHN has a high reliance on Residential Group Care which contributes to its deficit.

### **Risk Pool Allocations:**

The Peer Review Committee found that NWF Health Network qualifies for risk pool funding and recommends a partial distribution of \$2,174,960.

The expenditure of approved risk pool funds is based on relevant and verifiable service trends and changes that have occurred during the current fiscal year. The applicant's financial need is caused by circumstances beyond the control of the lead agency management. The use of risk pool funds meets at least one of the purposes specified in section 409.990 (7)(c), F.S. (2020).

The request amount was adjusted for the following:

- Excluded the proposed 3% budget cut since the cut has not been implemented and if it were it would not be appropriate to use Risk Pool funds to offset the will of the Legislature.
- Excluded the \$830,631 deficit from FY 2019-2020 since the Risk Pool funds are not designed to pay previous years deficits.
- Excluded the additional funds for Level I licensing workload because it does not meet the criteria for funding since this decision was at the discretion of management. The Committee recognizes that the additional resources did accomplish the goal of increasing the percentage of Level I licensed foster homes.
- Excluded funding NWFHN provided for the two Early Childhood Court coordinators because it does not meet the criteria for Risk Pool funding. Since the legislature authorized funds to the court for this purpose, the burden should not fall to the Lead Agency if the local court redirects those funds.

**Recommendations:**

1. NWFHN should continue its efforts to stabilize and improve the case manager and supervisor retention and reduce caseloads.
2. NWFHN should work with their partners to focus on closing cases; particularly cases in which parental rights have been terminated. The Team recommends putting a Judiciary workgroup together to assess why cases are not moving through the system towards permanency in a timely manner. The team should include CLS, Guardian Ad Litem (GAL), Case Management, and Judges.
3. Continue efforts to lower group care costs which was trending in right direction but have since flat lined.
4. Continue efforts to build front-end prevention diversion efforts in order to give relief on back-end dependency cases that need to achieve permanency.
5. Continue to identify and refine specific measurable goals for each action and focus on achieving the goals of the Financial Viability Plan.