Risk Pool Peer Review Committee Report

Eckerd Community Alternatives – Circuit 6
(Pasco and Pinellas Counties)

Fiscal Year 2018-2019
Addendum: Round 2 – April 2019

Executive Summary:

Eckerd Community Alternatives, also known as Eckerd Connects, submitted an application for risk pool funding on August 15, 2018 for their Pasco/Pinellas contract (ECA-P/P). The application was subsequently reviewed by the Suncoast Region and with the concurrence of the Regional Managing Director was submitted to the Office of the Deputy Secretary. Based on the analysis of the ECA-P/P budget and the information provided, the Risk Pool Peer Review Committee recommended a partial distribution of $2,970,419 based on a cash flow analysis completed by the Office of CBC/ME Fiscal Accountability. Any further distribution would be evaluated with ECA-P/P's budget projections also being re-evaluated at that time. Prior to the re-evaluation, ECA-P/P would need to update their financial viability plan to include an additional 2% reduction in their core services expenditures. The committee included guidance that the risk pool distribution should include consideration for any additional responsibilities assigned to CMOs.

Updated information was received from ECA-P/P on February 25, 2019. The Risk Pool Peer Review Committee conducted a secondary review on March 8, 2019 with relevant information available from multiple sources to make recommendations. The documents reviewed are as follows:

- Original Risk Pool Funding Application FY 2018-2019
- Financial Viability Plan (FY 2017-2018 and FY 2018-2019)
- Budget Projections provided by the CBC
- CBC Financial Viability Integrated Data Report
- The Child Welfare Dashboard
- CBC Contract Monitoring Reports
- CBC Contract Monitoring Survey Data
- CBC Contract Monitoring Data Packets
- The Child Welfare Key Indicators Monthly Report
- Florida Safe Families Network (FSFN) Aggregate Payment Data
- ECA-P/P FY 2017-2018 Risk Pool Report
- ECA-P/P Status Update on prior Risk Pool Recommendations

As a part of the secondary review, the team evaluated all available information from previous on-site visits, current data, and monitoring reports to make a recommendation without an additional on-site visit by this team. To resolve any outstanding questions, additional information was requested by the team from the CBC.

The CBC COU completed a review of ECA-P/P in January 2019 and no corrective actions were required as a result of that review; two items were listed as Areas Needing Action and an additional two items were listed as opportunities for improvement. An update was provided by ECA-P/P regarding the six recommendations by Risk Pool Peer Review Committee in November 2018 subsequent to their initial risk pool application.

The Risk Pool Peer Review Committee for ECA-P/P consisted of:

Lee Kaywork, Team Leader
Teri Saunders, CEO, Heartland for Children
Naomi Jackson, CFO, Family Support Services of North Florida
Catherine Macina, CFO, Community Based Care of Central Florida
JoShonda Guerrier, Assistant Secretary for Child Welfare
Barney Ray, Office of CBC/ME Financial Accountability
Patricia Medlock, Northeast Regional Managing Director
April May, Suncoast Region Community Development Director
Alissa Cross, CBC Contract Monitoring Team

Application Summary:

ECA-P/P's application for risk pool funding in August 2018 requested $5.6 million of which $2,970,419 was allocated subsequent to the initial review in November 2018. Their latest projected deficit is $4.2 million after receiving the almost $3 million in risk pool funds in January 2019.

Findings:

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

1. Does the applicant qualify for risk pool?

1.a. Does the CBC project an end-of-year deficit, inclusive of any carry forward?
1.b. Has the CBC submitted a Financial Viability Plan (FVP)?
1.c. Is the CBC implementing the FVP with a high degree of fidelity?

After receiving $2,970,419 of risk pool allocation in January, ECA-P/P is still projecting a deficit of $4,218,539.

ECA-P/P has submitted an FVP with measurable targets and cost savings projections for most items. As of the 2nd Quarter (Q2) update, only three of the six action items are trending in the right direction for the goals stated in the FVP: reduction in paying for children eligible for Agency for Persons with Disabilities (APD) services is one child ahead of the goal, increase relative/non-relative placements had a significant decrease in Q1, and in Q2 increased but fell quite short of the goal; targeted recruitment and initial licensing and retention of licensed foster home beds fell short of the Q1 and Q2 goals. Items trending in the wrong direction are: increase the percentage of children served through in-home services, reduce the number of youth placed in residential group care, and a 10% reduction in licensed out-of-home care. If all actions on the FVP were successful, the cost savings projections would only meet about 63% of the deficit per ECA-

P/P's projections and 69% based on the department's projections; this leaves no plan for 31%-37% of the deficit.

2. Has the CBC provided progress reports on:

2.a. Financial Viability Plan
2.b. Previous Risk Pool Recommendations
2.c. COU Recommendations

As noted in question 1, as of the Q2 update, only three of the six action items are trending in the right direction for the goals stated in the FVP: reduction in paying for children eligible for APD services is one child ahead of the goal, increase relative/non-relative placements had a significant decrease in Q1, and in Q2 increased but fell quite short of the goal; targeted recruitment and initial licensing and retention of licensed foster home beds fell short of the Q1 and Q2 goals. Items trending in the wrong direction are: increase the percentage of children served through in-home services, reduce the number of youth placed in residential group care, and a 10% reduction in licensed out-of-home care. If all actions on the FVP were successful, the cost savings projections would only meet about half of the projected deficit.

ECA-P/P provided the following update on the recommendations of the Risk Pool Committee:

Risk Pool Recommendation	ECA-P/P Update 2/25/2019
Continue to execute the recommendations from the FY 2017-2018 Risk Pool Report.	Eckerd Connects Community Alternative will continue to execute the recommendations from the FY 2017-2018 Risk Pool Report.
Place a stronger emphasis on the reduction in the number of children in residential group care, particularly ages 6-12.	Eckerd Connects Community Alternative continues to focus on the reduction of all children in residential group care, particularly ages 6-12. In spite of the focus there continues to be an increase in the number of children in residential group care according to the Child Welfare Key Indicators Monthly Report. In November 2017 there were 9.5% of children in Licensed OHC in residential group care and in November 2018 the percentage increased to 11.6%, compared to the state average of 9%. The number of children ages 6-12 in Licensed OHC that were placed in residential group care has increased when compared to November 2017. In November 2017 8.49% of children 6-12 years old were placed in residential group care, compared to 12.3% in

Risk Pool Recommendation	ECA-P/P Update 2/25/2019
	November 2018 (state average 9.6%). Eckerd Connects Community Alternatives continues to recruit traditional foster homes to step this population of children down into upon licensure. Eckerd Connects Community Alternatives currently has licensed more foster homes than any other Lead Agency in the Suncoast Region, as of January 7, 2018 Eckerd Connects Community Alternative had a net gain of 21 new homes this fiscal year. Eckerd Connects Community Alternative continues to work on reducing the number of children in Licensed OHC, during the month of December 2018 there were 97 new children in Licensed OHC since July 1, 2018. As of January 14, 2019 there were 46 new children in Licensed OHC.
Develop an action plan in conjunction with the sheriff's offices to improve the utilization of diversion services as a safe alternative to removals.	Eckerd Connects Community Alternatives holds regular meetings with the Sheriff's Offices in Pasco and Pinellas County to educate their staff on available diversion services. Staff from the contracted providers attends the Sherriff's Offices meetings to update them on available openings and anticipated openings. There is regular communication between leadership of providers, Sheriff's Office staff and Eckerd Connects daily to improve utilization of diversion services.
Until ECA-P/P is able to operate without a deficit, a more appropriate caseload is a ratio of 1:20 with a goal of 1:17 long term.	Eckerd Connects Community Alternative made the decision to fund Case Management Organizations at a ratio of 1:18 in July 2018 prior to receiving this recommendation. We will continue to assess the System of Care and address this recommendation prior to developing the budget next fiscal year.
Consistent with the findings during the most recent on-site monitoring, ECA-P/P should continue to focus on addressing case manager turnover.	Eckerd Connects Community Alternative continues of focus on improving case manager turnover within the sub contracted providers. Eckerd Connects Community Alternatives holds regular meetings with the sub contracted providers to identity systemic issues that need to be addressed. Eckerd Connects Community Alternatives attends sub contracted providers staff meetings to address concerns and to provide updates

Risk Pool Recommendation	ECA-P/P Update 2/25/2019
	on the system of care. Eckerd Connects Community Alternatives meets regularly with community stakeholders to develop solutions to systemic issues that impacts case managers. Eckerd Connects Community Alternatives continues to assess how we can reduce the number of transports and the number of children that sub contracted providers have to supervise daily. Reducing the number of children served and the number of children served in Licensed OHC will improve case manager turnover and the system overall.
ECA-P/P would benefit by expanding the availability of the Family Reunification Team to all case management organizations.	Eckerd Connects Community Alternatives funded two reunification positions per agency in Circuit 6 this fiscal year.

COU Areas Needing Action	ECA-P/P Update
M08 - Placement moves per one-thousand days in foster care. ECA P/P failed to meet the performance target in seven out of the past eight quarters.	*No update*
M07 - Percent of children who do not re-enter care within 12 months of moving to a permanent home. ECA P/P failed to meet the performance target in seven out of the past eight quarters.	*No update*

3. Has the CBC provided an updated Financial Report with a revised budget forecast?

3.a. Has the Office of CBC/ME Financial Accountability verified the request?

ECA-P/P provided an updated Financial Report based upon actual expenditures through January. The updated projection is for a $4,218,539 deficit even after receiving $2.9M in risk pool funding in January. This projection does not include their projected Maintenance Adoption Subsidy (MAS) deficit but does include all current allocations of funding including prior year excess earnings and net revenues from other sources.

ECA-PP's total projected expenditures are $6.3 million greater than last year however $1.5 million is related to increased Maintenance Adoption Subsidies. The largest increase is in the Out-of-Home line of $3.8 million or 22% greater than last year. This line includes the payments to foster homes and residential group care providers. Client Related expenditures are $210,000 or 16% greater than last year.

An assumption in the projection includes an increase in the Out-of-Home Care line of 5.8% over the last five months of the year. This was based upon an average daily rate calculation derived from data on March 12th. This line includes payments to residential facility-based care providers and foster homes. The trends in this line have not significantly changed in the last three months (November through January). The average daily costs have decreased by about 0.5% over that time. If the average daily rate for the month of January were to sustain at that level over the last five months, this would reduce their projection by a total of $386,000.

Eckerd (Pasco & Pinellas) Expenditure Projection				
	FY17-18	FY18-19 (projected)	$ Change	% Change
Lead Agency Related Expenditures	$8,171,583	$8,571,274	+$399,691	5%
Client Related	$1,341,562	$1,551,603	+$210,041	16%
Contracted Services	$19,946,072	$20,023,885	+$77,813	0.4%
Independent Living/Extended Foster Care	$1,887,543	$2,201,948	+$314,406	+17%
Out of Home Care	$17,196,972	$21,009,854	+$3,812,882	+22%
Maintenance Adoption Subsidies	$20,625,557	$22,118,091	+$1,492,534	+7%
Operations & Support Center Allocations	$3,467,093	$3,464,321	($2,772)	(.01%)
Total	**$72,636,382**	**$78,940,976**	**$6,304,594**	**+9%**

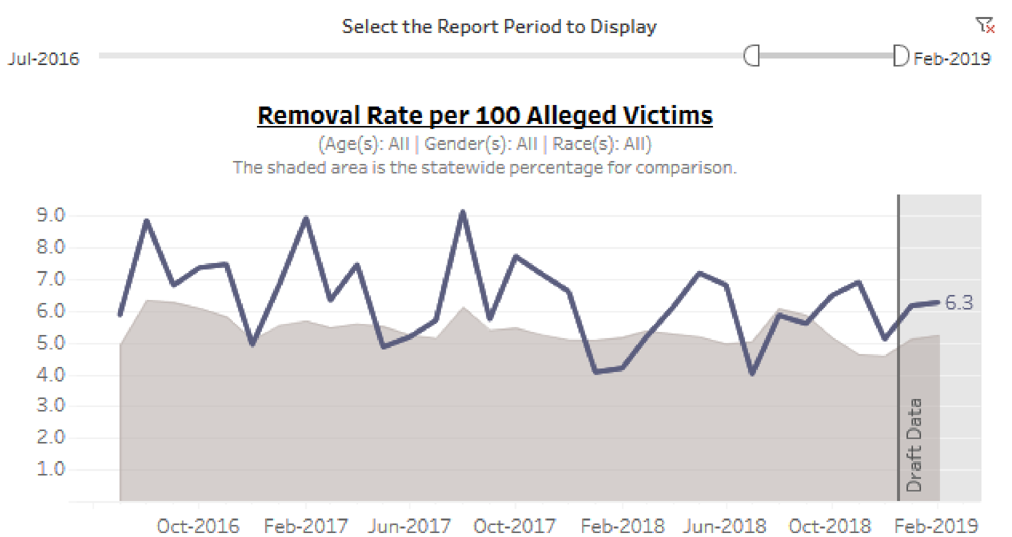
Lead Agency Related expenditures are $400,000 or 5% greater than last year. The largest increase is in the Salaries & Benefits line of $229,426 or 4%. Overtime incurred in support of case management is listed as a factor.

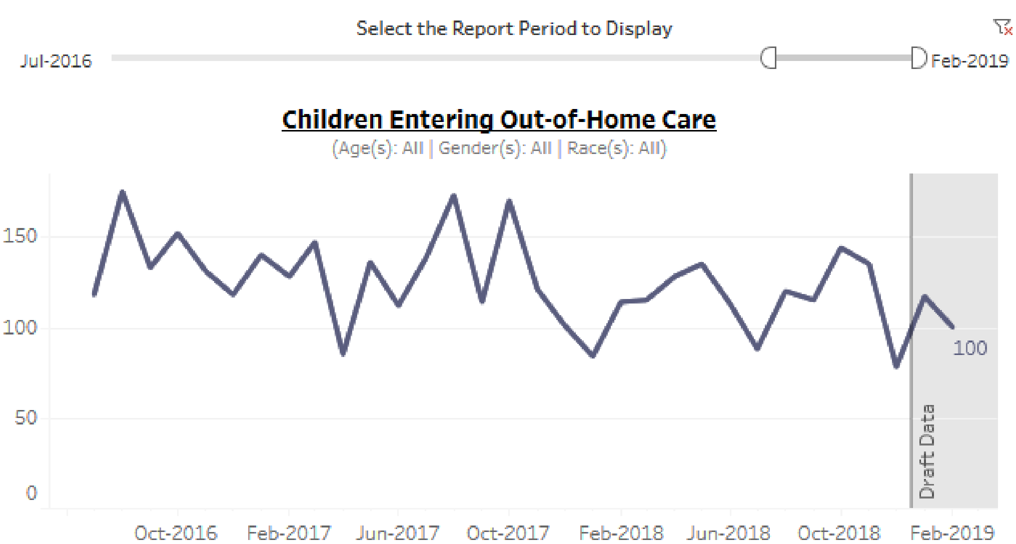
Eckerd (Pasco & Pinellas) Lead Agency Related Expenditures				
	FY17-18	FY18-19 (projected)	$ Change	% Change
Salaries & Benefits	$5,711,012	$5,940,439	+$229,426	4%
Property Rent	$1,432,515	$1,488,049	+$55,534	4%
Insurance	$237,549	$332,267	+$94,718	40%
Equipment Rental	$120,747	$121,022	($13,746)	(11%)
Telephone & Internet	$108,799	$99,641	($9,158)	(8%)
Licensing Fees	$70,606	$96,113	+$25,507	+36%
Travel	$84,854	$95,179	$10,325	+12%
Supplies	$71,375	$74,168	+$2,793	+4%
Computer and Software	$61,246	$62,253	+$1,007	+2%
Technology Hardware & Software Maintenance	$52,814	$58,630	+$5,816	+11%

	FY17-18	FY18-19 (projected)	$ Change	% Change
Cellular Phone	$47,565	$46,307	($1,258)	(3%)
Other	$172,501	$171,227	($1,274)	(1%)
Total	**$8,171,583**	**$8,571,274**	**$399,691**	**+5%**

4. Does the data support the request?

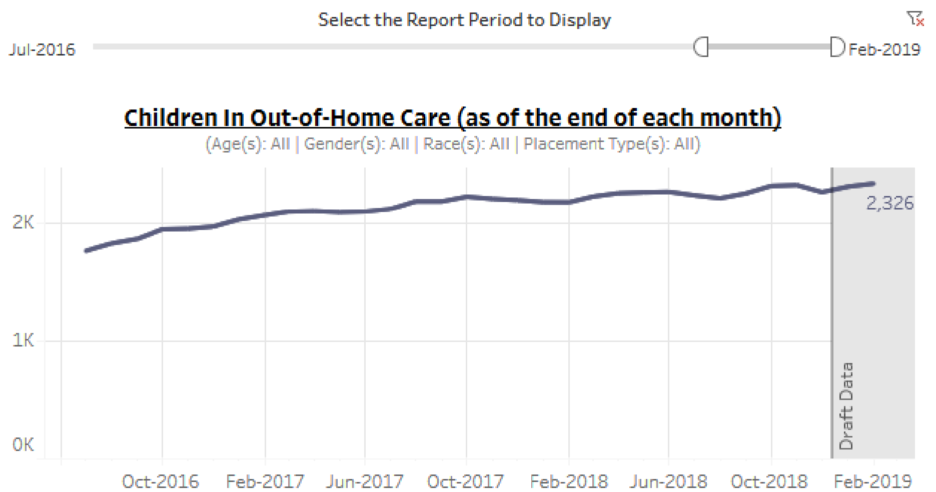
4.a. Removal Rates
4.b. Out-of-Home Care Trends
4.c. Service Quality
4.d. Extraordinary Expenses

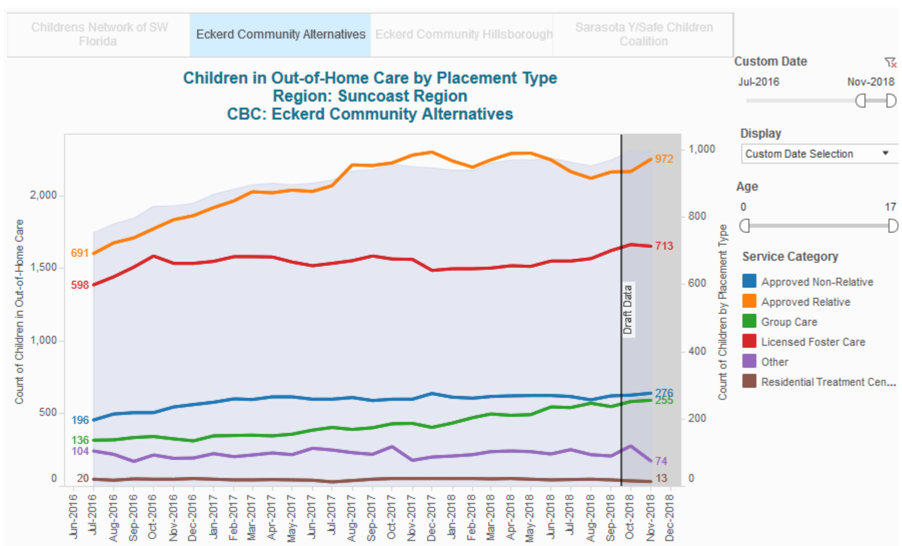


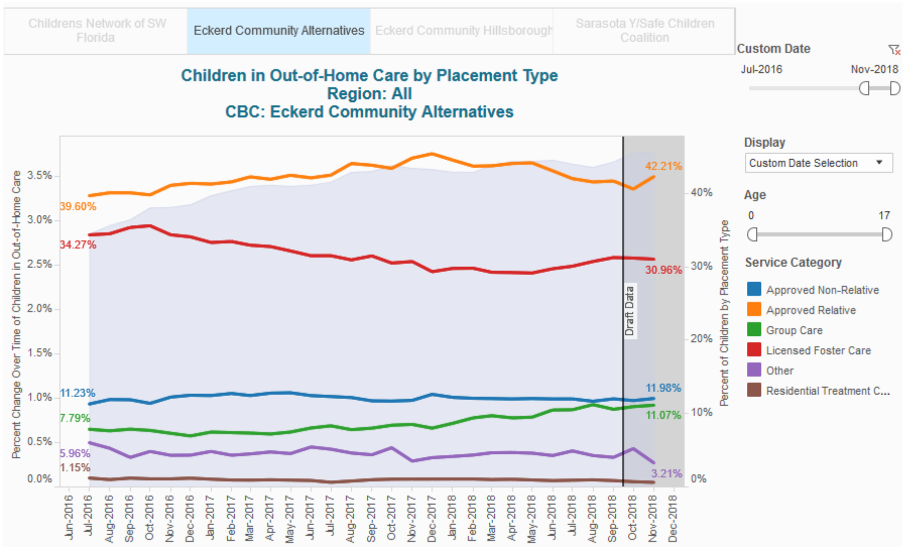


The removal rate for ECA-P/P exceeded the statewide average 23 of the 27 months from July 2016 through January 2019; however, the actual number of removals has been decreasing and is trending downward.

The following charts illustrate trends in out-of-home care:

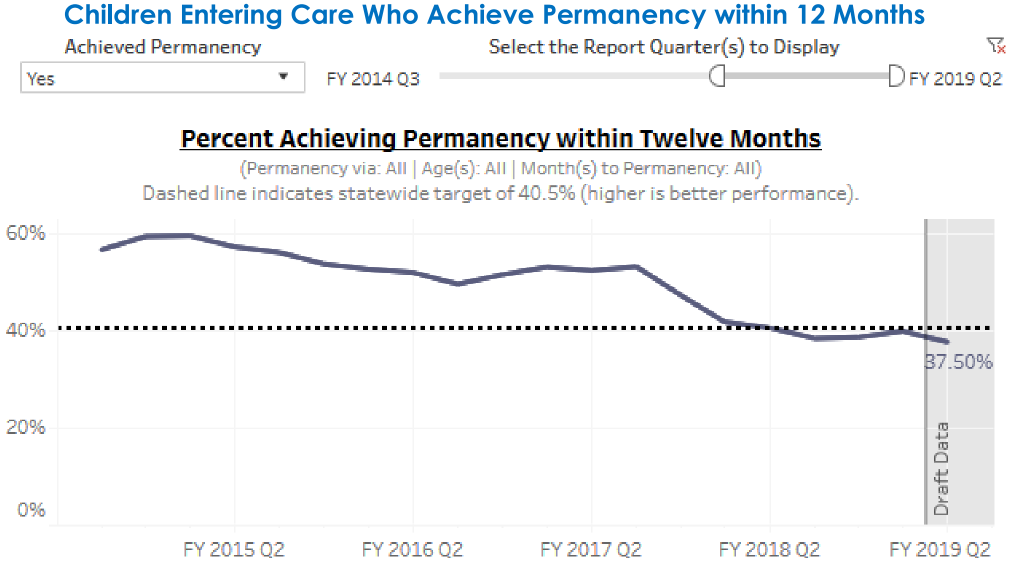




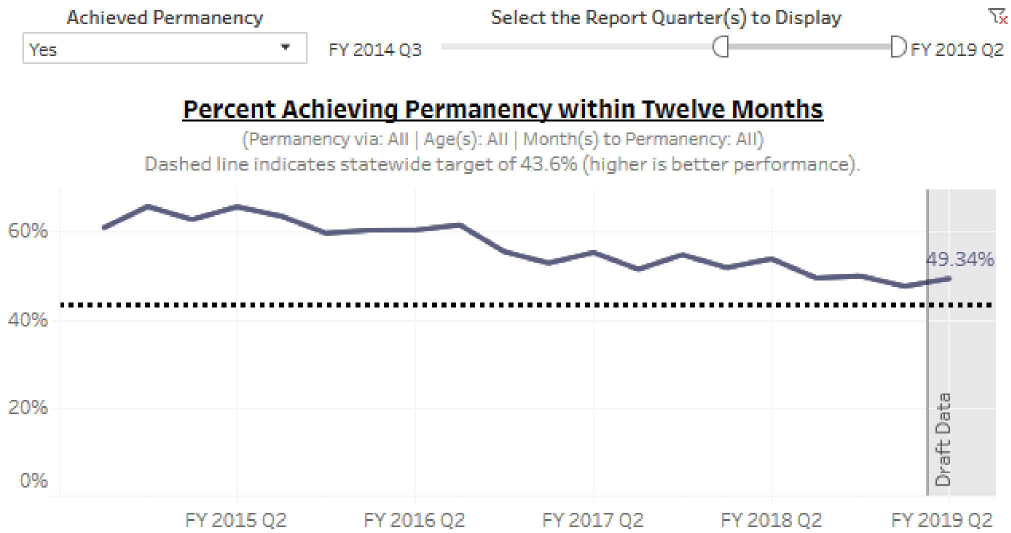


Despite the decrease in the number of children entering out-of-home care in ECA-P/P, the number of children in out-of-home care has continued to steadily increase. The increased use of Approved Non-Relatives should have a positive effect on finances, but the increased use of Group Care coupled with the decreased use of Licensed Foster Care will have a profoundly negative effect on finances.

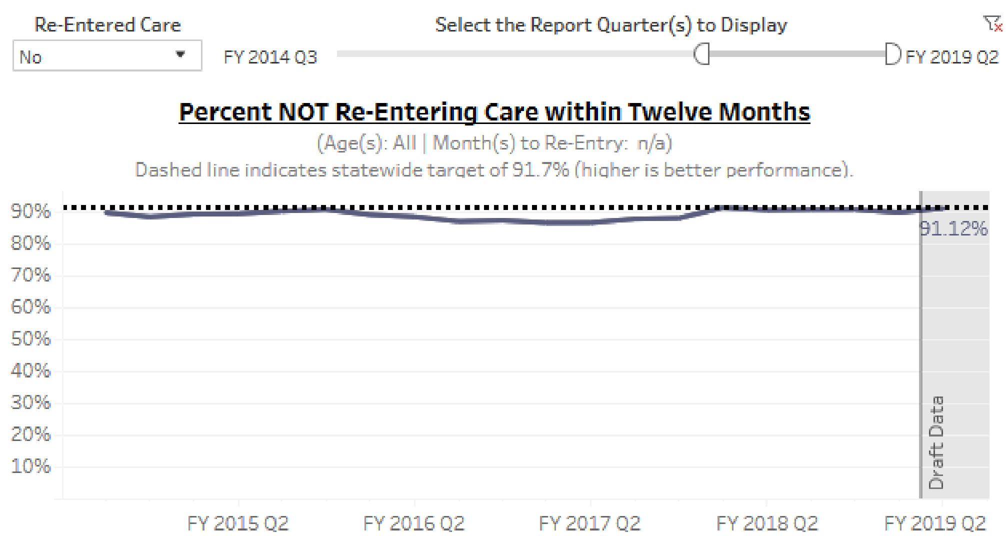
Children Entering Care Who Achieve Permanency within 12 Months



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



ECA-P/P has seen a steady decline in the percent of children who achieve permanency within 12 months and 24 months. ECA-P/P has been below the statewide target for children entering care who achieve permanency within 12 months for the most recent four quarters (FY 2017-2018 Q3 and Q4, and FY 2018-2019 Q1 and Q2).



It appears ECA-P/P has struggled to meet the target for children not re-entering care within 12 months but has met the target the last five out of six quarters.

Per ECA-P/P's March 1, 2019 posting of caseload and turnover as required by s. 409.988, F.S., the agency continues to struggle with high turnover rates:

as of: 1/31/2019

CMO	Average # of Children per Worker	Case Load	Case Manager Turnover Rate Last 12 months	Case Manager Supervisor Turnover Rate Last 12 months
DFL	24.4	14.3	91%	75%
LSF	24.6	15.0	100%	63%
YFA	20.3	12.3	63%	50%
Total	22.8	13.7	83%	63%

ECA-P/P has improved on four of the 12 scorecard measures since the prior fiscal year and declined on the other eight scorecard measures (please see Attachment 1 – ECA-P/P CBC Scorecard).

Summary of Findings:

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

- ECA-P/P's performance has deteriorated, and the agency is not meeting several performance metrics for children in their care: no abuse during in-home services, exiting to permanency within 12 months, rate of placement moves, siblings placed together, and dental services in last seven months. They are trending down in five additional areas: children in care 12-23 months exiting to a permanent home, rate of placement moves, siblings placed together, children seen every 30 days, completed/enrolled in education.
- ECA-P/P's FVP does not appear to be having the desired effect nor does it appear to make the agency financially viable if the goals were met.
- ECA-P/P's first deficit actually occurred in FY 2013-2014 in the amount of $2.25 million. However, they received $4.0 million in non-recurring funding in FY 2014-2015 and another $2.75 million in non-recurring funding FY 2015-2016 through proviso language. These non-recurring appropriations enabled them to cover their FY 2013-2014 deficit and carry forward unearned state funds through FY 2016-2017.

Eckerd (Pasco & Pinellas) Core Services Funding History			
Fiscal Year	Recurring	Non-recurring	Total
13-14	$42,862,560	$4,000,000	$46,862,560
14-15	$43,455,052	$2,750,000	$46,205,052
15-16	$44,550,216	$0	$44,550,216
16-17	$44,759,756	$0	$44,759,756
17-18	$45,555,137	$0	$45,555,137
18-19	$45,640,756	$0	$45,640,756

- ECA-P/P's core services expenditures have increased significantly in FY 2017-2018 (7%) and are projected to increase even more in FY 2018-2019 (9%). The increases in their expenditures have outpaced their increases in recurring core services funding. These increases are almost entirely in their out-of-home care line.

Eckerd (Pasco & Pinellas) Core Services Expenditure History			
Fiscal Year	Total	$ Change	% Change
13-14	$41,950,272	---	
14-15	$44,303,345	$2,353,072	6%
15-16	$45,446,183	$1,142,838	3%
16-17	$45,857,393	$411,210	1%
17-18	$49,065,502	$3,208,109	7%
18-19 (projected)	$53,434,431	$4,377,929	9%

Recommendations:

Based on the analysis of the ECA-P/P's budget and the information provided, and based on the facts that recurring expenditures have steadily increased in excess of ECA-P/P's allocated budget and performance has declined, the Risk Pool Peer Review Committee recommends no distribution without further consideration by the Secretary. The Risk Pool has traditionally operated under the premise that funding is for non-recurring needs.

The Risk Pool Peer Review Committee acknowledges that ECA-P/P will suffer a cash-flow issue before the end of the fiscal year; lacking about one month of cash. In light of this fact, the Risk Pool Peer Review Committee defers to the Secretary to determine if a distribution should be made to ECA-P/P. Should a distribution be made for this purpose, the Secretary may want to secure a commitment from ECA-P/P on the following items:

- A process flow map for each service that illustrates ECA-P/P's accountability for the system of care in Circuit 6. The process flow map will be developed by ECA-P/P in conjunction with the region within 30 days of any approved disbursement and shared with the region and all subcontracted providers to provide clear lines of responsibility and accountability from ECA-P/P to the provider for each service offered to children and their families. Any changes/updates must be made within 30 days of the change, will use the same collaborative process, and shared with the region and all subcontracted providers.
- Four detailed action plans as follows. The action plans will be developed by ECA-P/P in conjunction with the region within 30 days of any approved disbursement and include specific timeframes, steps, goals, and who at ECA-P/P is responsible for working the respective plans. The region will conduct reviews at least monthly to monitor progress towards identified goals and/or engage ECA-P/P regarding modifications to action plan items that are not achieving desired outcomes.
    - A detailed action plan to increase the number of children exiting to permanency within 12 months.
    - A detailed action plan to significantly reduce the number of children in residential group care, particularly ages 6-12. This reduction recommendation was included in the initial review in October 2018.
    - A detailed action plan to address case manager turnover. Until ECA-P/P is able to operate without a deficit, a more appropriate caseload is a

ratio of 1:20 with a goal of 1:17 long term. This goal recommendation was included in the initial review in October 2018.
- With the current decrease in the number of children entering care, a detailed action plan to operate within their allocated budget – assuming no changes in allocation – next fiscal year.

As a supplement to any decision the Secretary makes, the Risk Pool Peer Review Committee recommends the following:

1. ECA-P/P should revisit recommendations from the FY 2017-2018 and FY 2018-2019 Risk Pool Peer Review Committee along with the CBC COU monitoring recommendations and work with the region to develop a strong action plan to implement countermeasures in order to resolve issues.

2. ECA-P/P should take more ownership and have processes in place to ensure actions are being completed.

3. ECA-P/P should develop an action plan to address high turnover and stabilize the workforce of its CMOs.

4. ECA-P/P should consider pursuing a stronger effort with a sense of urgency towards developing more robust diversion programs to reduce removals, licensing larger capacity foster homes, increasing permanency, implementing a Family Finders program, and reducing the use of group care.

5. ECA-P/P would benefit from developing an FVP that is more structured towards problem resolution and addresses the projected deficit. The plan should 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 next fiscal year.

Risk Pool Peer Review Committee Report

Eckerd Community Alternatives – Circuit 6
(Pasco and Pinellas Counties)

Fiscal Year 2018-2019
Addendum: Round 2 – April 2019

Attachment 1 – ECA-P/P CBC Scorecard