

**Semi-Annual Report of the State of Illinois to the  
National Quality Improvement Center  
on the Privatization of Child Welfare Services**

***Striving for Excellence: Illinois Expansion of Performance Based Contracting to  
Residential and Transitional/Independent Living Service Provision***

**March 31, 2008**

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**I. Project Description**

**A. Performance-Based Contracting and Quality Assurance Model**

The Illinois Department of Children and Family Services (DCFS), in partnership with the Child Care Association of Illinois (CCAI) and the Children and Family Research Center of the University of Illinois at Champaign-Urbana (CFRC), is expanding its existing performance based contracting initiative to private contract agencies providing residential, group care, independent living and transitional living services.<sup>1</sup> Illinois has led the nation since 1997 in the implementation of performance-based contracting and quality assurance (PBC/QA) initiatives for foster care case management.

Despite the success of this initiative in moving over 35,000 children into permanent homes, Illinois failed to achieve substantial conformity on any of the seven child welfare outcome measures in its 2003 Child and Family Services Review (CFSR). One of the weakest areas identified by the federal reviewers was the State's performance on Permanency Outcome 1 (children have permanency and stability in their living situations) wherein Illinois was found to have substantially achieved this outcome in only 36% of the foster care cases reviewed. Reviewers found a lack of consistency with efforts to ensure placement stability, establish permanency goals in a timely manner, and ensure that older children in long-term foster care receive appropriate services to assist them in transitioning out of care into independent living (Illinois CFSR, 2003). Illinois currently serves over 2,500 children and youth in residential, independent and transitional living programs.

Current research indicates the complexity of the service needs of these target populations. A 2006 study by the Chapin Hall Center for Children at the University of Chicago on placement stability in Illinois found that the placement change rate in Illinois is relatively high when compared to other

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<sup>1</sup> The Children and Family Research Center of the University of Illinois at Champaign-Urbana replaced the Child Welfare Institute as the evaluation partner of this project as of October 1, 2008. The primary evaluator, Judge Kathleen A. Kearney is now employed by the CFRC and continues as the principle investigator for this project.

states and has been steadily increasing. Behavior problems, prior institutionalization and runaway incidents increased subsequent placement stability (Zinn, 2006).

In 2004, Chapin Hall conducted one of the most extensive studies ever done on foster youth in residential care.<sup>2</sup> According to their findings, the residential care caseload has changed over time to include an increasing number of youth who have experienced multiple placement disruptions and failures, longer stays in foster care, and the lack of a permanent home before entering residential care (Budde, 2004).

In Illinois, like many other states around the country, a smaller number of residential service providers are now serving more troubled children and youth than residential programs in the mid-1990s. Children who are discharged from residential care into a less restrictive setting are less likely to remain there. Chapin Hall found that 51% of youth discharged from their first residential care setting to a less restrictive setting during the years 1995-2003 were eventually returned to higher levels of care during this time frame (Budde, 2004).

Illinois' successful past experience with performance based contracting in foster care case management has led DCFS to believe that the expansion of performance-based contracting and its related quality assurance initiatives into the provision of residential services, independent living (ILO) services and transitional living (TLP) services is a worthwhile strategy for improving outcomes for children and youth. The primary driver of performance based contracting for foster care case management was to reduce the number of children in care by "right sizing" the system. Achieving permanency goals and outcomes were – and are – the focused priorities of these contracts.

The overarching goals of the current expansion of PBC/QA to residential care are to incentivize shorter lengths of stay in residential care while improving client stability and functioning, allowing for expanded availability of residential care beds for children at earlier stages of their need thereby increasing the likelihood of successful intervention. For ILO/TLP programs, the long term goals are to increase client self-sufficiency, stability and healthy living practices thereby improving readiness for successful emancipation and transition to a productive adulthood.

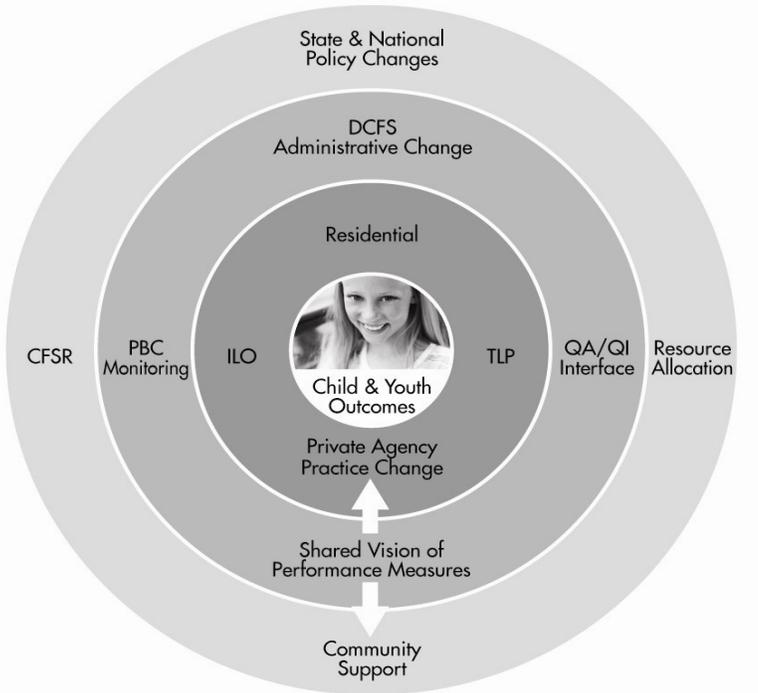
Drawing upon lessons learned in the development and implementation of its foster care case management contracts, a core principle of the expanded Illinois model is allowing all stakeholders to have substantial and meaningful input into the planning and design phases of this project. The operating theory is that this will lead to higher quality of care, increased stability in placement,

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<sup>2</sup> "Residential care" is defined in this study as institutional and group care settings. Illinois has adopted the same definition for this project, excluding shelter and diagnostic care programs.

smoother and effective transition of children to less restrictive environments and successful emancipation of youth from state custody to productive independence as adult citizens. This project must also take into consideration changes in federal and state policy, most particularly the implementation of the National Youth in Transition Database (NYTD) which will have significant impact on the ILO/TLP aspect of this project. DCFS Director McEwen, DCFS Senior Leadership and the Project Steering Committee strongly believe that improved communication between the public and private sectors, as well as with the community at large, will ultimately improve outcomes for children and youth.

This theory of change is best represented in the diagram set forth below:



**Figure 1: Illinois Theory of Change Model**

The project logic model has been revised to incorporate the latest thinking of the Project Steering Committee. See **Exhibit 1: *Striving for Excellence*** Illinois Project Logic Model as revised March 31, 2008.

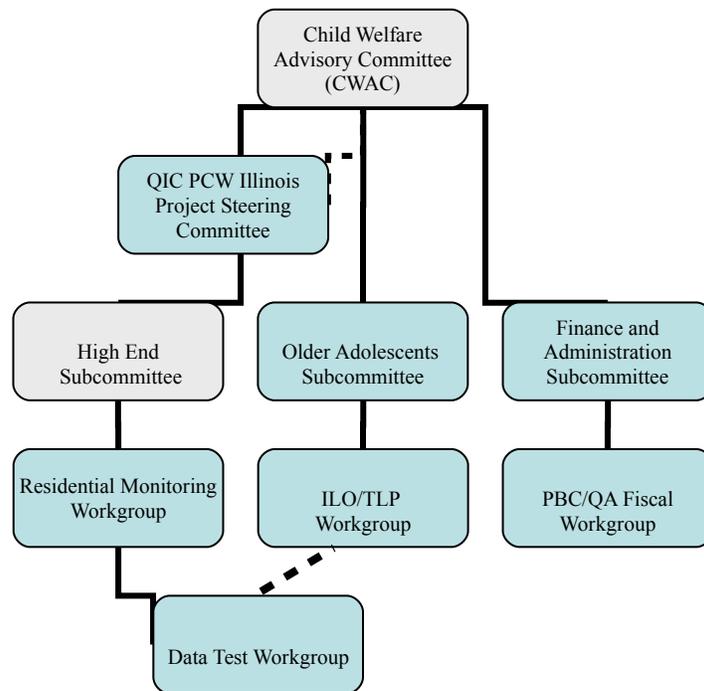
The Illinois project model included the following elements for the initial year of operation, all of which were attained:

- Established a Project Steering Committee comprised of the relevant Illinois Child Welfare Advisory Committee (CWAC) Subcommittee and

Workgroup Chairs and senior leadership of DCFS to provide oversight and policy direction for the project;

- Convened the Illinois Child Welfare Data Summit to bring university partners and representatives of child welfare data repositories together to review existing data sets, discuss implementation challenges and make recommendations to the Steering Committee about potential outcome measures to be considered for the demonstration contracts;
- Used the existing Child Welfare Advisory Committee (CWAC), its Subcommittees and Workgroups to review and develop proposed metrics, process and outcome measures, data collection and quality assurance protocols for inclusion in the demonstration contract;
- Facilitated annual Statewide Provider Forums for child welfare system stakeholders to engage in the planning process, provide critical feedback on the proposed metrics, measures, data collection protocols, program implementation, and ultimately share best practices with one another;
- Implemented a demonstration contract for residential and ILO/TLP providers effective October 1, 2007 wherein all providers will be held harmless under this contract until the start of state fiscal year 2008 while performance data is collected and analyzed;
- Incorporated lessons learned and feedback received during the demonstration contract period into fully performance based contracts effective July 1, 2008; and
- Provided for the on-going documentation of the processes used and evaluation of the project with findings disseminated to the Steering Committee, DCFS and all interested child welfare system stakeholders for their use in system improvement throughout the life of the project.

Illinois' formally institutionalized its child welfare public/private partnership with the establishment of Child Welfare Advisory Committee (CWAC) and its Subcommittee structure over a decade ago. Comprised of representatives from both DCFS and private provider agencies, CWAC and its Subcommittees are tasked with child welfare policy development and large scale system improvement. This project utilizes the existing CWAC structure, set forth in **Figure 2** below, to develop, implement and monitor this project's proposed outcome measures, fiscal incentives, and risk adjustment strategies. The *Striving for Excellence* Illinois Project Steering Committee was established to provide overall project guidance and direction. It is co-chaired by Illinois DCFS Executive Deputy Director Denice Murray and Margaret Vimont, Chief Operating Officer of Jewish Family Services.



**Figure 2: Illinois Project Organizational Chart**

Three existing CWAC Subcommittees are currently working on this project. The High End Subcommittee is providing oversight for the development and implementation of performance measures for residential treatment programs. The Data Test Workgroup, which reports to the Residential Monitoring Workgroup of the High End Subcommittee, has been tasked with determining the specific outcome measures, data sources, and recommendations for risk adjustment. The Data Test Workgroup has been, and will continue to be throughout the life of this project, the primary workgroup monitoring the data collection and analysis of the performance indicators developed for this initiative.

The Older Adolescents Subcommittee formed the ILO/TLP Workgroup to facilitate ongoing reforms of the ILO/TLP programs. This Workgroup has been working with the National Governor’s Association on a national project to address the needs of older youth leaving care. Given the expansion of performance based contracting to ILO/TLP services, and its synergy with ongoing reform efforts, the ILO/TLP Workgroup was assigned to work on this project. The Data Test Workgroup is also providing technical assistance to the ILO/TLP Workgroup on the availability and collection of data for the performance measures selected and implemented for this project.

The Finance and Administration Subcommittee has formed an expanded PBC/QA Fiscal Workgroup to review the financial aspects of this project and make recommendations to the Steering Committee. This expanded

subcommittee also includes representatives from the Data Test Workgroup to ensure programmatic as well as financial expertise in the development and implementation of the fiscal structure.

A description and listing of the project meetings held during this reporting period is set forth below in Section II.A.6.

## **B. Status of Privatization in Illinois**

All residential, ILO and TLP services are provided by private agencies in Illinois. Existing contracts with these entities have been on a per diem basis with individual rates negotiated between each provider and the Department of Children and Family Services. Prior attempts to standardize rates for residential services using a tier or level system (e.g. mild, moderate, or severe) had not been successful. The 2006 reforms in the ILO/TLP programs established a tier system for these programs with a corresponding rate structure.

An update on the current status of rate standardization in residential care is found in Section II.A below.

## **C. History of Performance Based Contracting in Illinois**

As previously noted, the Illinois Department of Children and Family Services (DCFS) initiated and implemented a performance-based contracting system for privatized foster care case management services in fiscal year 1997. This system is largely credited with reducing the number of children in out-of-home placement from over 51,000 at its inception to 15,884 as of February 29, 2008 (DCFS Executive Statistical Summary, February 2008). Children no longer languished in foster care and revenue saved through case reduction was reinvested in the system to improve services by reducing worker caseload size. Illinois received a Harvard Innovations in American Government Award in 2000 in recognition of its achievements (McEwen, 2006).

The Illinois model was predicated upon a switch from the per-diem administrative rate based on the number of children and days of care to an administrative rate based on caseworker-to-caseload ratios with a predetermined number of cases expected to move out of the system and an equal number of new cases expected as intake. Cases were assigned to each private agency on a rotational basis thus ensuring each agency would have an equal opportunity to receive new cases. Success was determined by each agency achieving permanency for children through reunification, adoption, or subsidized guardianship on 24% of their beginning caseload. This percentage was increased to 29% in fiscal year 2004 (Illinois CFSR Program Improvement Plan).

Agency performance is reviewed on an annual basis. Agencies are ranked from lowest to highest in permanency-placement rates. Those with the highest rates are more likely to receive their guaranteed intake of new cases, thereby sustaining a steady revenue stream. In cases where an agency meets, but does not exceed, its desired permanency rate, it is possible that this agency will not be given new clients in favor of an agency that has exceeded expectations (McEwen, 2006). This paradigm shift in contracting for services resulted in the State retaining better performing agencies and eliminating those who failed to meet performance goals (Blackstone, 2004).

DCFS initiated its formal Continuous Quality Improvement (CQI) process in 1997 concurrently with performance-based contracting. The CQI process includes an evaluation of Unusual Incident Reporting (UIR) data and quarterly peer review of records. Frontline caseworkers and supervisors are engaged in the CQI process. Illinois is one of the few state systems where the Council on Accreditation of Services for Families and Children accredits the quality assurance system (Illinois CFSR, 2003).

Illinois established a Residential Performance Monitoring Unit (RPMU) to provide oversight and technical assistance to residential service providers. The RPMU monitors both the quality of care and the appropriateness of the level of care and is charged with the identification of weaknesses in the overall system of care. A contract with Northwestern University was developed to provide the monitors. This program was discontinued in State Fiscal Year 2007-2008 following the Department's decision to bring the monitors "in house" as DCFS employees. The Department has now hired and trained the monitors which are regionally based. It is the Department's intent with this redesign to significantly lower the ratio of youth to monitors from 50:1 to 35:1. The Department anticipates this will allow the monitors to spend more time in each agency during monitoring visits and will assist in the implementation of the new quality assurance protocols developed as part of the expansion of performance based contracting to residential programs.

## **II. Process Evaluation**

### **A. Subgrantee Implementation Activities**

#### **1. What is the status of your implementation?**

The updated project work plan (from October 1, 2007 to September 30, 2008) is attached as **Exhibit 2** to this report. The project is on schedule for implementation of fully performance based contracts on July 1, 2008.

The following project milestones have been achieved during this reporting period:

- The Project Steering Committee met monthly to provide oversight and policy direction for the project. The Steering Committee is comprised of the CWAC Subcommittee and Workgroup Chairs with equal representation from both the Department of Children & Family Services and private providers. A list of Project Steering Committee members is attached as **Exhibit 3**.
- The Project Steering Committee, using the existing CWAC Subcommittee structure, developed proposed performance outcomes, a risk adjustment strategy, and fiscal incentives/disincentives for use in the FY 2008-2009 contracts. Provider feedback was obtained, reviewed and analyzed following the Second Statewide Provider Forum held on August 21, 2007. The contract performance outcome descriptions as incorporated into the demonstration contracts are attached as **Exhibits 4 A-E**. Judge Kearney attended all Project Steering Committee meetings and many of the Subcommittee and Workgroup meetings to observe, document and evaluate the process used to develop the proposed measures.
- The Data Test Workgroup, comprised of representatives from DCFS, the private sector providers, Northwestern University, Chapin Hall Center for Children, and the University of Illinois at Chicago developed a risk adjustment model to allow for variance in agency performance on contract performance measures. A preliminary report on the model is attached as **Exhibit 5**.<sup>3</sup>
- The Department reviewed the rates for all residential providers and standardized them according to levels of care, i.e. mild, moderate and severe. Agency unique needs, such as physical plant and specialized populations served, were taken into consideration in setting proposed rates for the FY 2008-09 contract period. Agencies were informed of their proposed rate and the number of beds to be purchased during this contract period as of the end of March. Agencies will be apprised of their performance benchmarks, adjusted for risk, after final approval of the risk adjustment strategy on April 10, 2008 by the Project Steering Committee.

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<sup>3</sup> This preliminary report from the Data Test Workgroup is already outdated as the model continues to be refined at the time of the writing of this report. This report was presented at the March 13, 2008 Project Steering Committee meeting to update them and seek guidance on critical policy issues. The Data Test Workgroup is holding weekly meetings throughout March and April to refine their work prior to finalization of performance benchmarks in April.

- Residential monitors were hired, trained and deployed by DCFS replacing the residential monitoring program previously housed at Northwestern University. The monitors conducted their initial monitoring visits to agencies in January and February, 2008.
- Institutional Review Board approval was obtained from the University of Illinois at Champaign-Urbana to administer the cross-site frontline staff and quality improvement surveys to all Illinois residential, ILO and TLP providers by the Child and Family Research Center.
- The Staff Survey Regarding Training, Supervision and Evidence-Informed Practice and the Quality Improvement Survey were mailed to 64 residential, ILO and TLP agencies by Judge Kearney. Data from the returned surveys is in the process of being recorded and analyzed.
- Judge Kearney interviewed all eighteen members of the Project Steering Committee during December, 2007 and January, 2008 on their perceptions of project implementation and presented a report to them during their January, 2008 meeting on her findings. The structured interview questions and the preliminary report in power point form are attached as **Exhibits 6A and 6B** respectively.
- The Child Care Association of Illinois (CCAI) is finalizing plans for the Third Statewide Provider Forum to be held on April 25, 2008 at Governor's State University where feedback will be obtained from the residential providers on the proposed rates, fiscal structure, and risk adjusted performance benchmarks. A separate meeting for ILO/TLP providers will be scheduled for late spring, early summer.
- The CAYIT Matching Workgroup developed a new protocol to implement the Director's centralized matching changes. This collaborative effort was the direct result of a problem identified by this project which is now being resolved through the leadership of Mary Sue Morsch of the Department and Jim Guidi of the private sector.
- A discharge and transition protocol has been developed to ensure a smooth transition from residential facilities to other placements. The protocol was developed collaboratively by a workgroup under the auspices of the CWAC Residential Monitoring Subcommittee. Training on the new protocol is being conducted by Dr. Alan Morris and Deann Muehlbauer of the University of Illinois at Chicago. The protocol will be operational statewide as of July 1, 2008. The protocol is designed to clarify the roles and responsibilities of the residential and post-residential agency where the child or youth is placed following their stay in residential care.

- An article written by Judge Kearney and Director McEwen describing the status of this project was published in *Professional Development: The International Journal of Continuing Social Work Education* was published in December, 2007.

## **2. Did implementation occur as planned?**

No. The magnitude and complexity of this statewide project continues to hamper the timely implementation of performance outcomes and project evaluation. The demonstration contract period, originally scheduled for implementation on October 1, 2007 did not begin until mid-November, 2007. The delay allowed for more significant review of the proposed contract language by the relevant CWAC Subcommittees and Workgroups, but the contract demonstration period was shortened with limited data available for review by the Project Steering Committee prior to implementation of the FY 2008-09 contracts. In essence, there will be little change in the terms and conditions of the demonstration contract and the upcoming FY 2009 contracts. Several Project Steering Committee members have expressed their concerns about implementing the fiscal aspects of this initiative, particularly the penalties imposed for failure to meet “treatment opportunity days” standards, without a more in depth analysis of performance data obtained over a full year. As of the writing of this report, the project will proceed with full implementation as of July 1, 2008.

The Data Test Workgroup continues to chart new territory in the development of its agency risk adjustment strategy. A more detailed account of their work is set forth below. The detailed nature of this work required additional meetings and conference calls. Since at least four members of the Data Test Workgroup are also members of the Project Steering Committee and other CWAC Subcommittees working on this project, the time commitment required of these members has been substantial.

The original evaluation plan called for individual interviews of juvenile court judges in Cook County and three other “downstate” judicial circuits. The intent of the interviews was to obtain information about the knowledge of the court on the use of performance based contracts and whether or not they believed them to be useful in driving system change. Concerns about the relationship between the child welfare community and the Illinois judiciary have been raised over the course of the last year. Illinois is the only state in the nation not participating in the Court Improvement (CIP) Grant Program from the Children’s Bureau.<sup>4</sup> Director

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<sup>4</sup> The highest court in each state is the entity required to seek CIP funding. They must demonstrate the willingness of the court system to work with the public child welfare agency in ongoing performance improvement activities identified by the Child and Family Service Reviews and the state’s Performance Improvement Plans. It has been reported anecdotally that the Supreme Court of Illinois and the

McEwen has made several personal attempts to engage the judiciary in his efforts to reform the child welfare system. These efforts have been met with mixed success. It was determined that the information which could be obtained from the judges – at this stage of project development – was not necessary or informative. This decision was made in consultation with the national cross-site team.

### 3. Implementation Barriers

As noted above, the complexity of this project has presented the largest obstacle to implementation. The time commitment required of senior Department and private agency leadership is substantial. Although the Project Steering Committee meets monthly, the interviews conducted by Judge Kearney of its members reflect ongoing concerns about potential pitfalls for this project. The potential pitfalls identified by the Project Steering Committee include the following:

- Lack of sustained funding to support improved performance;
- Changes in DCFS leadership impacting implementation and support;
- Loss of focus or momentum by the Project Steering Committee over time;
- Private agencies discharging clients before clinically appropriate to enhance the likelihood of agency fiscal gain;
- Lack of reliable data;
- Poor matching of clients to providers;
- Problems with other parts of the system of care, especially foster care case management which impact residential, ILO and TLP agency performance; and
- Lack of engagement of frontline staff and supervisors in bringing about positive change.

The preliminary report given to the Project Steering Committee by Judge Kearney is attached as **Exhibit 6B**.

The Department experienced delay in the hiring of the new residential monitors. DCFS terminated a contract with Northwestern University which was previously responsible for monitoring agency performance. Originally, the Department intended to have the monitors hired and trained by November 1, 2007. Due to issues arising with the public employees' union and others pertaining to the hiring process, the new monitors were not employed until late January 2008. All of the monitors have now been hired and trained. Initial field visits to the provider agencies were conducted in January and February, 2008 wherein

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Administrative Office of the Courts were unwilling to make this commitment and therefore were not awarded CIP funds.

the new protocols were piloted. Initial reports on the monitors' visits from the residential providers are mixed. Concerns have been expressed about the lack of residential experience as most of the newly hired monitors previously performed foster care case management functions and had limited experience in the direct provision of residential services. This issue is being tracked and addressed by the CWAC Residential Monitoring Subcommittee.

The Department experienced changes in its senior leadership during this reporting period. Budget & Finance Officer Barbara Piwowarski resigned her position in late December, 2007. Her replacement is in the process of being hired. Mary Sue Morsch, the Deputy Director of Placement and Permanency has announced her intent to retire. Several members of the Project Steering Committee have expressed their grave concerns about this loss as Ms. Morsch has been instrumental in reforming the Illinois child welfare system for over a decade and possesses institutional knowledge about the development of performance based contracts for foster care case management which has been invaluable for this project. Director McEwen and Project Director Denice Murray have announced their intent to have Ms. Morsch remain on this project under contract to the Department, but details of this arrangement have yet to be determined. The Department underwent significant restructuring and reorganization during the course of the reporting period. The new organizational chart reflecting these changes is attached as **Exhibit 7**. Several positions remain to be filled as of this writing.

The Data Test Workgroup identified data issues in both the residential and ILO/TLP programs when developing the risk adjustment strategy. It is necessary to refine contractual definitions and synchronize them with the codes in the CYSIS database. For example, CYSIS does not separate psychiatric hospitalizations from medical hospitalizations. Since psychiatric hospitalizations are considered "negative" discharges in calculating a youth's sustained favorable discharge rate and are counted against the residential agency as a missed treatment opportunity day, it is critical this coding issue be resolved. The Data Test Workgroup will report its progress at the April 10, 2008 Project Steering Committee meeting.

The new fiscal structure provides for the purchase of one hundred percent of bed capacity for slots held open for DCFS clients by the provider agencies. Prior to performance based contracting, agencies were fiscally penalized for failing to file a "906" report with the Department which indicated an "opening" caused by a child's/youth's absence due to running away, psychiatric hospitalization, or juvenile/adult corrections detention. With the advent of this fiscal structure, this penalty no longer

exists. A new “906 fidelity review process” must be developed, piloted and implemented prior to July 1, 2008. The Data Test Workgroup and Residential Monitoring Subcommittee have been tasked with this project.

#### **4. Implementation Facilitators**

Several factors have contributed to the success of the significant work which has been done to date, including:

- ***The willingness of all Project Steering Committee and CWAC Subcommittee and Workgroup members to devote substantial time and resources to the development and implementation of the demonstration contract.***

As noted in the first Semi-Annual Report and in the table of meetings set forth in Section II.A.6., the Project Steering Committee and the relevant CWAC Subcommittees and Workgroups continue to meet frequently. This does not include the countless hours spent in researching best practices, preparing for meetings, scheduling, traveling to and from meetings and completing tasks assigned as a result of each meeting. Despite the challenges of such a mammoth undertaking, everyone involved in this process remains committed to facilitating the collaborative process and donating the necessary time to review project implementation and overcome barriers encountered.

Workgroup meetings continue to be well attended. The Data Test Workgroup averages ten to fifteen members per meeting. They have made conscientious efforts to hold their meetings in various locations to improve attendance. Their electronic “Base Camp” has facilitated communication by Workgroup members between meetings. The ILO TLP Workgroup averages twenty to thirty members per meeting. Steering Committee Member CEO Mary Hollie of Lawrence Hall Youth Services has provided large conference room space in downtown Chicago for meetings. Other private providers and DCFS regional offices have also hosted CWAC Workgroup meetings around the state.

- ***The involvement of university partners in providing technical assistance to the Project Steering Committee as well as the CWAC Subcommittees and Workgroups.***

Dr. Alan Morris of the University of Illinois at Chicago (UIC) co-chairs the Data Test Workgroup with Brice Bloom-Ellis of DCFS. Dr. Neil Jordan of Northwestern University and Dr. Andy Zinn of Chapin Hall also serve as members and have been instrumental in the development of the risk adjustment model. Dr. Michael Naylor of UIC

Department of Psychiatry provided guidance on the use of psychotropic medications and aggression as a necessary clinical variable to enhance the model. By combining data contained in multiple university data bases, the risk adjustment model is designed to analyze the factors which predict potential difficulties in successful completion of residential treatment.

Dr. Clark Peters of Chapin Hall and representatives of the Northern Illinois University Center for Child Welfare and Education (CCWE) continue to provide technical assistance to the ILO/TLP Workgroup. Data from the Chapin Hall's multi-state study, which was also used in the development of the National Youth in Transition Database (NYTD) outcomes, has been shared with the Project Steering Committee and Workgroups.

The University of Illinois at Chicago (UIC) is developing a pilot project to address the problem of chronic runaway behavior. Dr. Alan Morris and Deann Muehlbauer (who are also members of the Data Test Workgroup) led a workgroup comprised of DCFS and private agencies to design a Runaway Risk Assessment Tool to guide clinicians and treatment teams through a structured decision making process to determine an individual youth's risk to run away as well as their level of dangerousness and vulnerability in the community while on the run. Once these risks are identified, the tool then facilitates treatment planning to address the run away behavior. The focus of the pilot will be to assess the effectiveness of the tool including its ease of use. The pilot is intended for programs which experience chronic running behavior by their target populations. The intent of the pilot is to decrease running on the part of individual youth and support agencies interested in increasing their treatment opportunity days within the context of performance based contracting. Several providers have volunteered to participate in the pilot which will begin in April.

As a result of the success of the first Illinois Child Welfare Data Summit, Director McEwen is in the process of creating an Office of Strategic Research Partnerships under the auspices of the Director's Office. This office will be staffed by the Children and Family Research Center and is designed to enhance collaboration in furthering child welfare research. Judge Kearney will be facilitating the second Data Summit scheduled for May 14, 2008 in Chicago. During this meeting the Data Test Workgroup will present its risk adjustment work to the greater research community and seek input on expanding its clinical variables. Judge Kearney will seek consensus on a shared research agenda and direction for future meetings.

- ***The use and availability of multiple communication strategies to disseminate information about this project statewide.***

CCAI Executive Director Marge Berglind's weekly *Monday Report* has updated all CCAI member agencies of the project's status and how to provide feedback to the Steering Committee. The first two Statewide Provider Forums hosted by CCAI allowed for face-to-face communication between attendees and project leaders. The Data Test Workgroup's electronic "base camp" continues to be used post minutes, reports, relevant research, and meeting notices. This tool is also useful during meetings where documents can be posted and reviewed by members who attend the meetings telephonically.

Residential service providers continue to disseminate information about the project on their informal list serve which also provides information to non-CCAI members thereby increasing the project's outreach. The residential service providers meet monthly in an informal setting. These meetings have also been listed in the table in Section II.A.6. below.

- ***The ability to solve problems collaboratively and rapidly deploy systemic changes to enhance project implementation.***

The Project Steering Committee has continuously demonstrated its ability to identify problems as they surface and work collaboratively to rapidly solve them so that project implementation is not hampered. The development of the CAYIT Matching Team as mentioned in Section II.A.1. above is a direct result of this rapid deployment. The Director's determination to implement a "no decline" policy in the performance based contracts led to a more in-depth assessment of the entire admission process. A workgroup was formed under the auspices of the Project Steering Committee chaired by Dr. Jim Guidi of UCAN and Mary Sue Morsch of the Department.

The workgroup designed a centralized CAYIT admission and referral process which is facilitated by the electronic transmission of documents using the Department's D-Net web based information system. Private providers were given access to the D-Net for this purpose. Communication procedures were developed to facilitate the transmission of client histories and medical records to maximize the sharing of information thereby enhancing the decision-making process to ensure appropriateness of fit between the client and the treating agency. New protocols were developed to match children and youth with the agencies most appropriate to meet their treatment needs. Each agency updated its program plan to provide more specific

information about their treatment programs and ability to treat specific populations.

In addition to working on problems identified in the admission to residential care, the Project Steering Committee also identified problems related to discharge from residential care, particularly when stepping down youth to a less restrictive setting such as foster care. A new discharge and transition protocol has been developed collaboratively by a workgroup under the auspices of the Residential Monitoring Subcommittee. This new protocol is intended to forth the roles and responsibilities of the residential provider and the post-placement provider related to the client child. Training on the new protocol is now being held statewide and full implementation of the protocol is expected to occur on or before July 1, 2008.

## **5. Coordination/Collaboration**

### ***Project Partners and Entities***

There has been a significant change in project partnership since the first reporting period. Originally, the Department of Children and Family Services, the Child Care Association of Illinois (CCAI) and the Child Welfare Institute (CWI) were the principle partners in this endeavor. Judge Kearney, the project evaluator, left the Child Welfare Institute on September 30, 2007 and joined the Children and Family Research Center (CFRC) of the University of Illinois at Champaign-Urbana. Because of her substantial involvement in the development and implementation of this project, the subcontract was terminated with CWI at the end of the federal fiscal year on September 30, 2007 and awarded to the CFRC as of October 1, 2007. The transition from CWI to the CFRC was accomplished smoothly with no impact on the project. The transfer of the project to a university-based institution has enhanced the research support needed for a project of this size. The University of Illinois Institutional Review Board (IRB) reviewed the data collection protocols and approved their use in November, 2007.

The existing Child Welfare Advisory Committee (CWAC) structure, as set forth above in Section I.A., which is equally comprised of members from both the public and private sectors, continues to be the vehicle used to implement and refine this project. The Project Steering Committee is responsible for coordination of Subcommittee and Workgroup meetings. As reported by Judge Kearney following her structured interviews of the Project Steering Committee members, all members believe the use of this existing structure was appropriate and necessary in order to facilitate system change of this magnitude.

With its long-standing representation of private child welfare agencies CCAI continues to provide leadership for this project. Chief Executive Office Marge Berglind has made concerted efforts to update private providers about the status of this project by personally attending residential provider meetings, seeking input on pending legislation, and advancing advocacy efforts. CCAI updates its members through the use of a computerized electronic mail system, the dissemination of a weekly report detailing issues of concern to child welfare professionals, and facilitating meetings for stakeholders in the child welfare system. A recent addition to the CCAI web site allows access to updates and advocacy tools for members of the public.

### *Challenges to Collaborative Activities*

This is a statewide demonstration project expanding performance based contracting to three distinct child welfare services: residential and group home services, independent living services, and transitional living services. The providers of these services are located throughout the state. They vary in size from six-bed group homes to large residential campuses. The size and scope of this initiative, by its very nature, has hindered collaborative efforts. Strong efforts were made to ensure that all providers, regardless of their size or geographic location, were given the opportunity to provide input in the development and design phases of the project. These efforts continue during the current implementation phase.

Initially, many of the scheduled CWAC Subcommittee and Workgroup meetings were scheduled at the same time in different locations, making it impossible for interested parties to attend both meetings. The Steering Committee resolved this issue by urging Subcommittee and Workgroup Chairs (who are also members of the Steering Committee) to avoid scheduling overlaps. Although the majority of all project meetings have been held in Cook County, Workgroups have made concerted efforts to hold some of their meetings in various locations around the state to encourage attendance by provider and local DCFS staff members who would be unable to attend meetings in Chicago.

Teleconference numbers have been provided for most meetings, but phone attendees continue to report difficulty in hearing the discussions and being able to respond and provide comments.

Recent developments have highlighted the differences between the residential population and the ILO/TLP population. The majority of the work being done by the Data Test Workgroup on risk adjustment applies only to the residential population. The new federal National Youth in Transition Database Final Rule applies predominantly to the ILO/TLP population. In recognition of the unique challenges each population faces,

the Project Steering Committee decided to address only residential issues at the upcoming Third Statewide Provider Forum scheduled for April 25, 2008. This will allow for a more in depth discussion of residential issues during this event. A separate Statewide Provider Forum will be held on another date in late spring or early summer for ILO/TLP providers. In addition, the ILO/TLP Workgroup Co-Chairs have identified communication barriers unique to their programs and have scheduled weekly meetings to address these problems during the implementation phase of the new contracts. These meetings will also include Anderson Miller, the new Deputy Director of Monitoring.<sup>5</sup>

## **6. Service Outputs**

The Illinois model was designed to obtain significant and meaningful input from the private sector throughout the life of the project. As described in Section I.A. above, the model requires the Project Steering Committee, CWAC Subcommittees and Workgroups to develop, implement and monitor the performance measures, fiscal incentives and risk adjustment strategies employed in the performance based contracts. Each meeting listed below was held for a minimum of two hours in duration, with whole or half day sessions held by the ILO TLP Workgroup and the Data Test Workgroup.

The primary focus of these meetings during this reporting period was to finalize the performance indicators and expected agency benchmarks as adjusted for risk and overcome implementation barriers. CWAC Subcommittees and Workgroups were to adhere to the overarching goals of the current expansion of performance based contracting to incentivize shorter lengths of stay in institutional and group care while improving client stability and functioning, allowing for expanded availability of residential care beds for children at earlier stages of their need thereby increasing the likelihood of successful intervention. Two new performance indicators pertaining to sustained favorable discharge rate and the rate of treatment opportunity days were developed and implemented in the demonstration contracts.

For the first performance indicator, each residential provider will have an established predicted “sustained favorable discharge rate.” This rate will be determined by the number of youth who experience a positive or neutral discharge from residential care to a placement that remains stable for a period of 90, 180 or 270 days, divided by the number of youth served. A “positive discharge” is defined as a “step down” placement to a less severe residential program classification within or outside the same

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<sup>5</sup> Mr. Anderson served as Midwest Regional Director of the Child Welfare League of America for the past fifteen years. He was previously employed as a private agency CEO and began his professional career as a DCFS employee. The addition of Mr. Anderson to the DCFS leadership team is viewed as a very positive development by both Department and private agency representatives.

agency, or to any other less restrictive non-temporary placement. A “neutral discharge” is defined as placement into a chronic residential program classification such as a long term residential nursing home. The sustained favorable discharge rate benchmark for each agency will be established by applying the risk adjustment model to each agency’s case mix and factoring in youth characteristics which are predictive of sustained favorable discharges.

For the second performance indicator, each residential agency will have an established predicted rate of “treatment opportunity days.” This rate is derived by dividing the total number of bed days in the residential stay by the number of days that youth were absent from the agency due to runaway, placement in detention or corrections facilities, or psychiatric hospitalization. The performance benchmark for the agency will be risk adjusted taking into account the characteristics of the youth served and the agency’s historic performance.

Data from the Department’s CYCIS database will be used to determine both the sustained favorable discharge rate and treatment opportunity days. Client discharges from residential facilities will be reported monthly to the Residential Monitoring Unit of DCFS. A quarterly report will be provided by the Department to each agency detailing their progress on each performance indicator. A reconciliation process is being established to reconcile differences between DCFS and private agency records.

For Independent Living and Transitional Living programs, the long term goals are to increase client self-sufficiency, stability and healthy living practices thereby improving readiness for successful emancipation and transition to a productive adulthood. For the Independent Living and Transitional Living Programs the performance indicators are divided into six domains: education, employment, financial competence, placement stability, planned positive discharge, and engaged in healthy living practices and behaviors. Youth are expected to be enrolled in and attending school, earning credits and making progress towards diploma and/or certificate completion. Additionally, youth will be employed full or part time with individual bank accounts established and active. Like youth in residential treatment facilities, placement stability will be monitored to determine if youth in the ILO/TLP programs are remaining in care and maximizing treatment opportunity days, or absent from care due to running away, detention or psychiatric hospitalization.

For youth in the Independent Living Program and the highest tier of Transitional Living, performance indicators for placement stability include having no more than two moves in a twelve month period. Youth in these programs are expected to have a lease and utilities in their own

name six months prior to emancipation. A planned positive discharge to Independent Living or the Youth in College programs is the preferred outcome for TLP program youth. Successful emancipation in a planned and positive manner is the discharge outcome for ILO. To encourage engagement in healthy living practices, all youth in ILO and TLP programs are expected to remain arrest and detention free. Pregnant and parenting teens are to appropriately care for their children. Youth with substance abuse issues, will engage in substance abuse treatment services.

The proposed performance measures for both residential and ILO/TLP have undergone significant revision since the inception of this project. Several proposed outcomes were discarded because data is not currently captured to measure them or it would be too cost prohibitive to develop data systems to capture them. The Project Steering Committee and Data Test Workgroup have struggled to determine relevant and reliable data sources to assess client functionality. For example, the fidelity of the CAYIT process in the administration of the CANS instrument for use in determining a child or youth's clinical profile at the time of admission to a specific residential care spell is under question at the present time. Until there is consensus around the use of this instrument for this purpose, it has been determined that it will not be used for performance outcome determination or risk adjustment for the demonstration contract. Work will continue in the Data Test Workgroup during the ensuing years of this project towards measuring individual clinical outcomes.

The Project Steering Committee, CWAC Subcommittees and Workgroups performed the following tasks during the course of the meetings held from October 1, 2007 through March 31, 2008:

- Identified empirical factors which impact performance outcomes and for which data is available;
- Determined and finalized performance indicators, i.e.
  - Treatment Opportunity Days
  - Sustained Favorable Discharge Rate;
- Performed regression analyses of the identified factors as applied to the population sample;
- Developed a risk adjustment model incorporating the findings of the regression analysis;
  
- Determined proposed performance benchmarks based upon the weighted average for FY 2006-07 and FY 2007-08 risk adjusted values as the FY 2008-09 benchmarks;

- Developed a fiscal incentive/disincentive system to incentivize Sustained Favorable Discharge Rates and encourage enhanced Treatment Opportunity Days;
- Developed and implemented a Centralized Matching Team (CMT) to address concerns over appropriate client matching and referrals to private agencies; and
- Developed a new discharge and transition protocol to enhance appropriate step-downs and clarify agency roles and responsibilities.

The following table is a list of the meetings held during this reporting period:

<i>Committee/Workgroup</i>	<i>Purpose</i>	<i>Meeting Dates</i>
<b>Project Steering Committee</b>	Provide overall project direction and guidance, assign tasks to and review products of the CWAC Subcommittees and Workgroups, make recommendations on contract implementation	September 13, 2007 November 14, 2007 December 20, 2007 January 17, 2008 February 21, 2008 March 13, 2008
<b>CWAC High End Subcommittee</b>	Review and approve, modify or reject the recommendations developed by the Residential Monitoring Subcommittee	September 26, 2007 November 15, 2007 January 16, 2008 March 12, 2008
<b>Residential Monitoring Subcommittee</b>	Review and approve, modify or reject the recommendations of the Data Test Workgroup	September 26, 2007 October 26, 2007 December 7, 2007 February 20, 2008 March 19, 2008
<b>Data Test Workgroup</b>	Develop, refine, implement and	September 26, 2007 October 16, 2007

	evaluate the effectiveness performance measures and risk adjustment strategies for residential providers	October 26, 2007 November 15, 2007 December 7, 2007 January 16, 2008 February 20, 2008 February 28, 2008 March 12, 2008 March 19, 2008 March 25, 2008 April 1, 2008
<b>Older Adolescent Subcommittee and ILO/TLP Workgroup<sup>6</sup></b>	Develop, refine and implement performance measures and risk adjustment strategies for Independent and Transitional Living providers	August 30, 2007 October 18, 2007 November 15, 2007 December 7, 2007 December 19, 2007 January 17, 2008 February 21, 2008 March 20, 2008
<b>Finance and Administration Subcommittee</b>	Develop, refine and implement the financial structure for the performance based contracts	September 14, 2007 November 15, 2007 February 19, 2008 March 13, 2008
<b>Residential Provider Group<sup>7</sup></b>	Provide input and inform the CWAC Subcommittees and Workgroups on project impact from the greater child welfare residential provider community	September 21, 2007 October 21, 2007 December 14, 2007 January 25, 2008 February 29, 2008 March 28, 2008

## 7. Lessons Learned from Intervention to Date

<sup>6</sup> The Older Adolescent Subcommittee and the ILO/TLP Workgroup have held joint meetings at this stage of project development.

<sup>7</sup> The Residential Provider Group is not a CWAC Subcommittee or Workgroup. It is an informal group comprised of residential providers which meets monthly to discuss issues of interest and concern for the provider community. The meetings are held at The Babyfold located in central Illinois and are regularly attended by approximately thirty providers. The performance based contracting initiative has been a central focus of this group's meetings for the past year and they have provided valuable input to the CWAC Subcommittees and Workgroups, therefore their meetings are noted for this report.

***Need for a clear and consistent communication strategy between the public and private sector***

Illinois learned from its past experience with the implementation of performance based contracting in foster care case management the necessity of providing meaningful opportunities for both the public and private agencies to engage in dialogue to develop a shared vision of success (McEwen, 2006). Despite the challenges inherent in a project of this size, complexity and magnitude, these opportunities have been provided through the use of the existing CWAC Subcommittee and Workgroup structure. All members of the Project Steering Committee reported this was a critical component of the success of this project to date because it fostered structured monthly communication opportunities between the public and private sectors. The Project Steering Committee also noted the need for consistent active involvement of Director McEwen in project activities and implementation given his high level of commitment to this project and the level of trust invested in his leadership ability by both the public and private sectors.

The communication strategies employed have provided valuable information which the Project Steering Committee and Workgroups used to adapt and modify their work processes to ensure additional opportunities for stakeholders to be heard. Communication strategies adopted by the Project Steering Committee include weekly updates by the Child Care Association of Illinois to all association members through its *Monday Report* newsletter disseminated electronically every Monday. The Data Test Workgroup has established an electronic “base camp” to post minutes, reports, relevant research, and meeting notices. Residential service providers have disseminated information about the project on their informal list serve which also provides information to non-CCAI members thereby increasing the project’s outreach. Based on the success of the residential provider list serve, the ILO/TLP Workgroup is establishing a similar list serve for its providers.

The residential service providers meet separately every month and report updates on this project during each meeting. Power point presentations given at the Illinois Child Welfare Data Summit and Statewide Provider Forums were posted in the Internet for public review. Flexibility has been a hallmark of project development as it became apparent the scope of this project far exceeded that originally contemplated in the original Illinois proposal submitted to the QIC PCW for funding.

***Need to more effectively manage utilization of residential treatment services***

During the implementation of the demonstration contracts, problems with the existing CAYIT admission process to residential care became evident. Without the ability to appropriately match a youth to a residential program which will meet the youth's clinical needs, the "no decline" policy established by the Department could not be fairly and effectively operationalized. The centralized matching process is now designed to avoid disparate results occurring at the regional level. Referral documents are submitted and transmitted electronically, thereby streamlining the admission process. Private agencies have updated their service provision profiles and program plans to clearly delineate the types of children and youth they are willing and capable of serving.

This effort, combined with the development of the new discharge and transition protocol, addressed problems and gaps in service assessment and provision. It also helped to identify other systems, such as community mental health, education, and foster care case management, which impact residential agency performance. By addressing these unintended consequences at this stage of project development, greater fiscal penalties can be avoided when the FY 2008-2009 contracts are in effect.

***Need to establish clear definitions and consistent data collection***

Although Illinois has a robust and reliable child welfare data system, with databases maintained by several university partners, definitional issues arose during the demonstration contract period which had not been anticipated. This requires a more substantial evaluation of how agencies and DCFS monitors code specific events in the state's CYCIS and Residential Treatment Outcomes System (RTOS) database. For example, only one code currently exists for "hospitalization" which applies to both psychiatric hospital admission and admission to a medical/surgical hospital. If a child is absent from a residential program because of admission to a medical facility for a surgical procedure an agency should not be penalized for failure to have the child in care, i.e. this type of absence should not impact the "treatment opportunity days" performance measure. However, if a child is placed in a psychiatric facility because the residential agency is unable to stabilize the child while that child is in their care, it should be counted in a different way.

Because of this experience during the demonstration contract period, the Project Steering Committee is now aware of the need for clarity in not only determining *what* outcomes are measured, but what data is being collected to *measure* those outcomes.

***Need to jointly establish systemic incentives and fiscal structure.***

Concomitant with the need to agree on the definition of contractual terms and the data used to measure the performance outcomes, performance change must be in the providers' scope of control. The Project Steering Committee, the Department and the provider community struggled during this reporting period with basic implementation questions: What do we want to buy? How do we determine how much is to be paid? Who is responsible for the accuracy of the data? What are the remedies for errors in measurement? Transparency in the development of the fiscal structure for this project is critical. Several areas remain unsettled at this stage of project development including a decision on whether the State should penalize providers for legitimate efforts that fall short of the performance benchmarks set.

***Recognition this is “a work in progress”***

Anxiety has been steadily rising on the part of both the Department and the provider community as the project moves from the demonstration contract period to full implementation. The Project Steering Committee has discussed the role they should play in alleviating this anxiety and increasing their educational outreach efforts to ensure everyone fully comprehends the performance expectations and individual agency benchmarks set. Concerns have arisen about the consistency of the message being delivered both internally and externally. The Project Steering Committee continuously strives to let all child welfare providers and stake holders know this “is a work in progress.” Change will not be driven by anecdotes, but by data. The CWAC Subcommittee structure provides all parties with a feedback loop which allows for in-depth analysis and discussion of all aspect of this project.

### **III. Outcome Evaluation**

#### **Evaluation Overview**

As indicated throughout this report, a core principle of the Illinois model is allowing all stakeholders to have meaningful input into the planning and design phase of this project. This statewide demonstration project involves pre- and post- test analyses. Given the strong emphasis on the shared development of the performance measures by both the public and private sectors, the finalization of the performance indicators was not completed until November, 2007. The thinking of the CWAC Subcommittees and Workgroups underwent significant revision since the inception of this project. Several proposed outcomes were discarded because data is not currently captured to measure them. Other outcomes, particularly those pertaining to client functionality, have been set aside for the present time because the reliability of the data and its interpretation is subject to debate between professionals. For example, there has been

significant discussion and debate by the Data Test Workgroup about the use of CANS for child well-being performance measurement. Until there is consensus around the use of this instrument for this purpose, it has been determined that it will not be used to either measure contractual performance or as a variable to adjust risk. Improvement in client functionality is a key goal for child and youth well-being. The Steering Committee has given direction to the Data Test Workgroup to continue working on ways in which client level clinical data can and should be considered for these purposes.

The project evaluation plan includes multiple data collection methods relevant to the five federal research questions. Unlike the previous Illinois performance based contracting initiative for foster care case management every stage of the implementation process has been documented in descriptive evaluation notes from initial concept design through the development and implementation of the demonstration contract. Individual structured interviews of both the public and private members of the Project Steering Committee were conducted by Judge Kearney in December 2007 and January 2008 to explore individual members' perceptions of the collaboration and planning process during the first year of this grant. Given the contextual variables inherent in a project of this type, environmental scans are conducted every six months to determine if other socio-political factors may be influencing the evaluation results obtained.

Additional perceptual data is being obtained through the administration of the cross-site instrument developed by the QIC PCW evaluation team entitled the "Staff Survey Regarding Training, Supervision and Evidence Informed Practice." The survey inquires about how frontline staff measure and promote client outcomes in their work, clinical supervision and its impact on practice, training, quality assurance and improvement activities. This survey was administered to five different classifications of workers employed by Illinois private child welfare agencies providing residential, ILO and TLP services for children and youth. Sixty-four private residential agencies with which the Department intends to contract during state fiscal year 2008-2009 for placement of children and youth were asked to participate in this survey. Recruitment letters were sent to the private agency chief executive officers urging their participation in this evaluation. To date, only one residential agency refused to participate citing recent DCFS initiatives including the transition to a "fee for service documentation and billing system" (required by Medicaid) as their reason for electing not to participate.

Staffing estimates for residential, ILO and TLP agencies were obtained from DCFS based upon their contractual requirements to ensure adequate staffing ratios of frontline staff and supervisors to the number of

children placed. Residential agencies are classified as *mild*, *moderate* or *severe* based upon the clinical severity of the children and youth they serve. Each of these classifications has a different staffing ratio required with the highest level of staffing required for the severe agencies. Each private agency determines the duration of the shift to be worked. Most agencies use five 8 hour shifts or four 10 hour shifts per week as the equivalent to 1 FTE (full time equivalent) for residential staff. Additionally, each agency must have extra staff to cover for personnel absent due to sick leave, vacations, court hearings, and personal leave.

For frontline residential staff, all first and second shift workers in agencies classified as *mild* were offered the opportunity to participate. This is because there are fewer agencies serving children classified as mild and the mild agency staffing ratio is much higher, thereby fewer staff members are required for supervision of the children and youth. For frontline residential staff employed by agencies classified as *moderate* or *severe*, one half of the first and second shift workers were offered the opportunity to participate.

The Project Steering Committee is particularly interested in knowing what variances in practice exist, if any, between those agencies providing services to children and youth in Cook County versus those agencies providing services to children and youth in all other Illinois counties, referred to by Illinois child welfare stakeholders as “downstate” agencies. In order to ensure a representative sample from mild, moderate and severe agencies, as well as from agencies located geographically in both Cook County and downstate, and to enhance overall statistical power, it was determined that all residential frontline supervisors, would be surveyed.

The “Quality Improvement Survey” developed for cross-site purposes by the QIC PCW was administered to the person in each residential, Independent Living and Transitional Living Program who has the most knowledge of and responsibility for quality assurance and/or quality improvement activities within that agency. There are 18 residential treatment agencies and 20 ILO/TLP programs in Cook County; 24 residential treatment agencies and 20 ILO/TLP programs are located outside of Cook County. In smaller agencies, i.e. those with less than a ten bed capacity, it is expected the person most knowledgeable of quality assurance and improvement activities may be the Chief Executive Officer, Chief Operating Officer, or Administrative Director. For larger facilities, a specific position may exist wherein a designated employee is responsible for fulfilling these duties.

The issue of geographic differences in service delivery has arisen consistently during project workgroup meetings. Providers located in

central and southern Illinois have discussed the challenges they face in not having services readily available to allow youth to step down from residential facilities. In the ILO/TLP Workgroup, the disparate judicial practice noted throughout the state pertaining to judicial decisions to terminate jurisdiction for a youth who has reached the age of 18 who is not fully compliant with the terms and conditions of their ILO or TLP program has been of great concern. It has been reported anecdotally in several meetings that Cook County judges will retain the youth in care and work with him or her to remain in the program and successfully emancipate. Downstate providers report that judges in central and southern Illinois will terminate jurisdiction and supervision as soon as a youth is non-compliant with program rules, effectively removing them from the care of the state and leaving them homeless.

This issue of judicial practice was expected to be explored in structured judicial interviews. Although it was expected this would occur during this reporting period, due to the problems set forth above in Section II.A.2. pertaining to the judiciary, the judicial aspect of this project has been tabled for the present time. Depending on the data obtained over the next year of this project, these interviews may be restructured and a more in-depth evaluation of the impact of geography on judicial decision-making may be undertaken in the future.

The current evaluation plan is slightly behind schedule. The following table represents the methods which will be used to obtain data relevant to the five federal research questions:

<b>Q1 Collaborative Planning Process</b>	<b>Q2 PBC/QA Necessary Components</b>	<b>Q3 Outcomes Better under New System</b>	<b>Q4 Contextual Variables</b>	<b>Q5 Program Features and Evolvement of Monitoring Over Time</b>
<ul style="list-style-type: none"> <li>▪ Surveys (P)</li> <li>▪ Interviews (P)</li> <li>▪ Observation of Process and Notes (D)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Surveys (P)</li> <li>▪ Interviews (P)</li> <li>▪ QI (P)</li> <li>▪ QA(P)</li> <li>▪ Contract Monitoring (P)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pre- and Post-Administrative Data (O)</li> <li>▪ Client Satisfaction Surveys (P)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Scans of Environment Every 6 Months (D)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Surveys (P)</li> <li>▪ Interviews (P)</li> <li>▪ QI (P)</li> <li>▪ QA (P)</li> <li>▪ Contract Monitoring (P)</li> </ul>

*O = Outcome P= Perceptual D= Descriptive*

An updated Illinois Project Evaluation Matrix is attached as **Exhibit 8** to this report.

**A. Research Question 1: Does an inclusive and comprehensive planning process produce broad-scale buy-in to clearly defined performance based contract goals and ongoing quality assurance?**

Significant work has been done to document the Illinois project as it has progressed from initial concept through the design and development of the proposed performance measures through the early stages of implementation. Judge Kearney has attended all of the Project Steering Committee meetings and many of the meetings held by the Workgroups responsible for the work to observe and record the interaction between the public and private members as they strive to reach consensus on performance standards and implement the demonstration contracts. Evaluation notes were catalogued and forwarded to Pal Tech in December, 2007.

All participants in the first Statewide Provider Forum in June 2007 were administered a survey developed to assess collaboration by the QIC PCW national cross-site evaluation team in partnership with local site evaluators. The Wilder Collaboration Factors Inventory, based upon research examined by Mattessich, Murray-Close and Monsey (2001) was used to establish a baseline of perceptual data from all residential, ILO and TLP providers present for the first Forum on the collaborative planning process. This established the baseline perception of residential, ILO and TLP providers and a limited number of DCFS staff prior to the demonstration contract terms being established, negotiated and measured. Overall, the findings reflected positively on the private sector providers' view of the collaborative process at this stage of project development. Discussions within the Steering Committee attribute these relatively high scores to the constructive working relationship which has been forged over time between the public and private sectors through the CWAC Committee process.

The highest scores on the Wilder Survey indicate that those surveyed believe the time is right for this collaborative project, their organization will benefit from being involved in it, and that no single organization could accomplish such a project by itself. The lowest score, not surprisingly, centers on not having enough funds to do what needs to be accomplished. The other low score was in response to the statement "people involved in this collaboration always trust one another." The use of the word "always" on the instrument may be skewing this response.

The Wilder Collaboration Factors Inventory will be administered again at the Third Statewide Provider Forum scheduled for April 25, 2008. The Project Steering Committee decided during its March 13, 2008 meeting to invite only the residential providers to this meeting to allow for a more in-depth discussion of the risk adjustment strategy which pertains

solely to their performance indicators and benchmarks. A separate Forum will be scheduled for ILO and TLP providers in late spring or early summer. The Wilder Inventory will be administered to this group of providers at that time. Once all surveys have been obtained, the data will be compared to the baseline data administered in 2007 and a report generated.

**B. Research Question 2: What are the necessary components of performance based contracts and quality assurance system that promote the greatest improvements in outcomes for children and families?**

The Staff Survey Regarding Training, Supervision and Evidence Informed Practice was offered to 1,760 frontline staff members and supervisors in 42 residential agencies and 40 ILO/TLP agencies. The Quality Improvement Survey was offered to 64 individuals who are most responsible for quality assurance and/or improvement activities in these agencies. The surveys were mailed to private agency chief executive officers on February 22, 2008. As of March 31, 2008 the following have been returned to Judge Kearney:

<b>Frontline Staff and Supervisor Survey</b>	<b>Quality Improvement Survey</b>
<b>1,760 Mailed</b>	<b>64 Mailed</b>
469 Returned with Informed Consent	24 Returned with Informed Consent
100 Returned without Informed Consent	4 Returned without Informed Consent
2 specifically refused to participate	

The University of Illinois Institutional Review Board does not consider completed surveys returned without a signed informed consent to be valid, therefore these surveys will not be included in data analysis. The data obtained from surveys returned with signed informed consent is in the process of being recorded, tabulated and analyzed, therefore, the baseline data for this research questions has yet to be determined and there is no data to report at this time.

**C. Research Question 3: When operating under a performance-based contract, are the child, family and system outcomes produced by private contractors better than those produced under the previous contracting system?**

Discussions have been ongoing between Pal Tech, the Children and Family Research Center and the Department of Children and Families on the child level outcomes to be evaluated for this project. Given the

unique nature of the Illinois project, and the targeted populations being evaluated, it is not possible to use Child and Family Services Review (CFSR) data for comparison cross site. The likelihood of a child or youth in residential care being selected for inclusion in the upcoming second round of the CFSR is extremely small, and if selected, this child would not be representative of the entire population. It was decided that client level data pertaining to the Illinois residential population on sustained favorable discharge rate and treatment opportunity days would be reported. The Department has the capacity to obtain historical, i.e. pre-test data on individual clients impacted by this project. The measurement methods are currently under development in partnership with Pal Tech and the Children and Family Research Center, therefore the baseline for this research questions has yet to be determined and there is no current data to report at this time.

**D. Research Question 4: Are there essential contextual variables that independently appear to promote contract and system performance?**

Data for this question is captured through environmental scans done every 6 months by the local lead evaluator. The contextual variables for this reporting period are those discussed in Sections II.A.2. and 3.above and include the following:

- The delay in hiring, training and deploying the new residential monitors;
- Development and implementation of the CAYIT Matching Team to centralize and streamline the residential referral and admission process;
- Development and implementation of the discharge and transition protocol to clarify the roles and responsibilities of the residential agency and the post-discharge placement; and
- Changes in leadership and reorganization of the Illinois Department of Children and Family Services.

A bill pertaining to performance based contracting has been filed in the Illinois Senate and is currently moving through the legislative process. Senate Bill 2505 mandates that DCFS include sufficient funds in future legislative budget requests to cover the “true” costs of care. Significant debate has occurred over the determination of “true” costs versus “reasonable” costs. Additional information on this pending legislation from the provider point of view can be obtained from the Child Care Association of Illinois at their website located at:  
<http://www.ccaill.org/advocacy/pages/State/talkptsSB2505.htm>

It should be noted that despite the downturn in the economy nationally and a significant budget shortfall anticipated by the State of

Illinois for State Fiscal Year 2008-2009, the Department is currently expected to be held harmless from budget cuts. The residential providers sought an additional \$25 million to support residential care, but this request did not survive the Senate Appropriations Committee.

**E. Research Question 5: Once implemented, how do program features and contract monitoring systems evolve over time to ensure continued success?**

The measurement methods are currently under development in partnership with the National QIC PCW and Pal Tech. The baseline has yet to be determined and there is no current measurement to report at this time.

**F. Other Site Specific Research Questions**

The issue of geographic differences in service delivery has arisen consistently during discussions held by the Project Steering Committee and in the CWAC Subcommittees and Workgroups. Providers from “downstate” (i.e. anywhere in Illinois that is not in Cook County) have discussed the challenges they face in not having services readily available to allow youth to step down from residential facilities. Transportation issues have also been mentioned. In the ILO TLP Workgroup judicial practice has been raised reflecting the impact of judicial philosophy on a decision to terminate jurisdiction for a youth who has reached the age of 18 who is not fully compliant with the conditions of the ILO or TLP program. It has been reported anecdotally in several meetings that Cook County judges will retain the youth in care and work with him or her to remain in the program and successfully emancipate. Downstate providers report that judges in central and southern Illinois will terminate jurisdiction and supervision as soon as a youth is in non-compliance with program rules, effectively removing them from the care of the state. The local evaluator will have the capacity to report on survey results by locality, therefore this issue of judicial practice will be more fully developed in the future if deemed necessary by the Project Steering Committee and the Department after performance data for the first year is obtained and analyzed.

## **IV. Sustainability**

The Child Welfare Advisory Committee structure has been in existence for over a decade and provides the appropriate forum to address public/private child welfare partnership issues of a systemic nature. The CWAC Subcommittees and Workgroups were working on performance

improvement issues prior to this initiative for both the residential and ILO/TLP populations. The PBC/QA project is consistent with these efforts and will continue to be monitored by these Subcommittees after the life of this federal grant.

## **V. Dissemination**

### **A. Publications**

An article on this project has been published by the Center for Social Work Research at the University of Texas at Austin in its peer-reviewed journal (Kearney & McEwen, 2007). The article, entitled *Striving for Excellence: Extending Child Welfare Performance Based Contracting for Residential, Independent and Transitional Living Programs in Illinois* describes the process used to plan, develop and implement this project.

The CCAI continues to report on the progress of this initiative in its *Monday Report* weekly which is disseminated to its members via e-mail and on the CCAI website. This vehicle has been used to update all CCAI member agencies on the status of this project.

### **B. Presentations and Dialogue**

The Children and Family Research Center is hosting the second annual Illinois Child Welfare Data Summit on May 14, 2008 in Chicago. Judge Kearney will facilitate the discussion. In order to obtain additional assistance from the child welfare research community on refinement of the risk adjustment model, representatives of the Data Test Workgroup, Dr. Neil Jordan from Northwestern University and Dr. Andy Zinn from Chapin Hall will present their work to invited researchers and encourage their comment and review.

## **VI. Conclusions and Recommendations**

### **A. Recommendations for policy makers and program makers**

As previously reported the planning and implementation phase of this project has underscored the need to establish and institutionalize a mechanism through which leaders from both the public and private sector can engage with one another and seek shared solutions to child welfare policy and practice problems. A safe venue where critical thinking can be done through dialogue – which at times may be challenging and provocative – is an essential requirement for effective planning. The existing CWAC Committee structure was the appropriate venue for a

project of this complexity in Illinois. The level of trust in the collaborative process reflected in the *baseline* scores of the Wilder Collaborative Factors Inventory and the structured interviews of the Project Steering Committee are indicative of the success of the institutionalization of such a forum in Illinois which gives meaning to the public/private partnership prior to undertaking such an aggressive project as this. State and local child welfare systems who seek to use performance based contracts as a strategy to improve child welfare outcomes should consider establishing a structure similar to CWAC prior to undertaking efforts such as this one.

## **B. Recommendations concerning QIC activities**

The working relationship between the National QIC PCW and the Illinois site has been excellent. The Director, Associate Director and the University of Kentucky staff have been extremely responsive to our needs. This was evident most particularly during the change in evaluative entities from the Child Welfare Institute to the Children and Family Research Center at the University of Illinois. The Project Steering Committee benefited from the onsite project meetings and the questions posed by the Associate Director of the National QIC PCW during the meetings she attended. The joint project meetings have been helpful in allowing all sites to learn from one another. Although the scope and breadth of the Illinois demonstration site is very different from those of Missouri and Florida, the opportunity to share and receive information has been very helpful in the development of this project. We recommend that joint meetings be held at least two or preferably three times per year to allow for enhanced dialogue between all parties.

Technical assistance recommendations at this time of this report center on the need to ensure effective implementation of the 2008-2009 performance based contracts. The Project Steering Committee has expressed a concern about its ability to sustain momentum during this critical phase of project development and implementation. This request is being met through the opportunity to meet with Dr. Dean L. Fixsen of the University of South Florida at the all site project meeting in Tampa, Florida on April 16-18, 2008.

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