

APPENDIX 4 -- Exhibit 1

Calculation of Protect Ohio Title IV-E Allocations

1. ACTUAL ANNUAL ALLOCATION

Total federal reimbursement is determined by the following calculation. The total allocation is the sum of these calculations for each demonstration county. Data for unit costs and care day volume are based on all children in out-of-home care, not just Title IV-E eligible children. Note that the actual volume and unit cost changes in the demonstration counties have no impact on the federal reimbursement calculation. Title IV-E Administration and training claims are not included in the waiver.

Total Allocation =

(Base Year Unit Cost for Individual Demo County) *

(Unit Cost Growth Rate for Control Group) *

(Base Year Care Day Volume for Individual Demo County) *

(Care Day Volume Growth Rate for Control Group) *

(IV-E eligibility Rate for Individual Demo County) *

(FMAP Rate of 68.14 %)

BASE YEAR UNIT COST (demo counties only) : The first base year is July 1996-June 1997. To determine total costs for demonstration counties, ODHS sent out a form allowing counties to make adjustments to the ODHS 4280 report. The ODHS 4280 is used to prepare the HHS IV-E-12 Part VII. Since this report only captures costs for children in care at the end of the quarter, this report understates costs by 2-3. Counties were asked to adjust the figures for that period to reflect expenditures for all children in care during the quarter as opposed to children in care at the end of the quarter. It is worth noting that counties may report expenditures by cash or date of service on the 4280. Using careday information from the FACSIS system, ODHS arrived at a base unit cost figure. After the first year, the previous year's unit cost becomes the base.

UNIT COST GROWTH RATE (control counties only): Unit cost growth rate for the first fiscal year (FFY 98) was 4.82 %. In subsequent years, the unit cost growth rate will be calculated based on the average annual change in unit costs for the comparison group through the final quarter (or second to last at state option) of the previous fiscal year. Thus, this component of the reimbursement amount is based on actual data, rather than a projection. Data for control counties' costs comes from the Ohio 4280 Report. Since this data is being used to calculate an inflator, ODHS is not concerned with the 2-3% understatement of expenditures.

CARE DAY VOLUME GROWTH RATE (control counties only): The care day volume growth rate is based on the annual growth rate in care days over all control counties. The base year volume level is the previous year's level. This is different from unit cost growth rate, which is determined based on the average annual change for all past years of the demonstration. Data on care days will come from the FACSIS system.

TITLE IV-E ELIGIBILITY (demonstration counties only): The actual Title IV-E eligibility rate for the demonstration counties is determined based on the fraction of IV-E eligibles among all children in substitute care. Counties report this rate on the ODHS 4281 report. FACSIS is not used for the numerator or the denominator. Each county provides this data itself because, at present, FACSIS undercounts certain populations.

2. THE PROCESS

Initially, total federal reimbursement for the year is requested based on the above formula, with estimates of the change rate of care day volume for the control group, unit cost growth for the control group and Title IV-E eligibility for each demonstration county. For care day volume, as ODHS is preparing estimates for FFY 99 before FFY 98 is complete, ODHS must estimate both the last 3-6 months of FFY 98 and all of FFY 99. To determine these figures, demonstration counties meet as a group with the state to come to consensus on the change rate. ODHS shares information about the control group's historical growth rate and the projections of various models. Generally, counties will prefer to underestimate growth in order to receive a bonus at the end of the year. The unit cost growth rate is estimated based on 6-9 months of actuals. Each county estimates its own Title IV-E eligibility rate.

Once the actuals are available, each county's adjusted allocation will be calculated based on the actual values of the care day change rate and unit cost change rate (same for all demo counties) and IV-E eligibility rates (different for each demo county). For those counties with a negative reconciliation, ODHS will be consulting with counties to develop recovery procedures.

APPENDIX 4 – Exhibit 2

MAPPING OF 2820 RECONCILIATION CODES TO ANALYSIS CATEGORIES

2820 Rec Code	Expenditure Type	Funding Government	Revenue Stream
101	Direct County	Federal	Title XX
102	Direct County	Federal	Title IV-B
103	Direct County	State	SCPA
104	Direct County	Federal	Independent Living
106	Direct County	Local	Local
107	Direct County	State/Federal	Misc. Grants /1
110	Direct County	DNA	COST POOL
111	Direct County	Federal	TANF
112	Direct County	Federal	Medicaid
113	Direct County	Federal	IV-E Admin
114	Direct County	State	Family Stability
115	Direct County	State	Casey
117	Direct County	Federal	IV-E Protect/IV-E FC
118	Direct County	Federal	IV-E Protect
201	Family Support	Federal	Title XX
202	Training/Fam. Supp.	Federal	IV-E Training/IV-E Admin /3
203	Family Support	State	SCPA
204	Family Support	Federal	IV-B
205	Family Support	Federal	Independent Living
206	Family Support	Local	Local
207	Family Support	State/Federal	Misc. Grants /2
208	Family Support	Federal	Abuse & Neglect
210	Family Support	Federal	IV-B
211	Foster Care	State	OVCH
212	Family Support	State	Kinship
213	Family Support	State	Wellness Block Grant
215	Family Support	State	Casey
216	Family Support	Federal	Family Resource
217	Family Support	Federal	IV-E Protect
218	Family Support	Federal	IV-E Protect
219	Family Support	State	Family Stability
220	Family Support	Federal	IV-E Protect
221	Family Support	Federal	TANF
302	Family Support	Local	FACES Match
304	Family Support	Federal	TANF
305	Family Support	Federal	IV-B
401	Adoption	State	Non-Recurring Adoption
501	Foster Care	Federal	IV-E FC
502	Foster Care	Federal	IV-B
503	Foster Care	State	SCPA
504	Foster Care	Local	Local

MAPPING OF 2820 RECONCILIATION CODES TO ANALYSIS CATEGORIES

2820 Rec Code	Expenditure Type	Funding Government	Revenue Stream
505	Foster Care	Federal	Title XX
506	Foster Care	Local	Local
507	Foster Care	State	OVCH
508	Foster Care	Federal	IV-E FC
517	Foster Care	Federal	IV-E Protect
601	Adoption	Federal	IV-E Adopt
602	Adoption	Federal	IV-B
603	Adoption	State	SCPA
605	Adoption	State	SCPA
607	Foster Care	State	SCPA
701	Adoption	State	PASSS
801	Adoption	State	Adoption Collaboration
896	Training	State	State
991	Training	State	Special Payments
992	Training	Federal	IV-E Training
993	Training	Federal	IV-E Training
995	Training	Federal	IV-E Training
996	Training	Federal	IV-E Training
999	PA Fund Transfer	Federal	TANF

1. Assigned to Protect Ohio or IV-E FC based on description
2. Assigned to Federal or State based on program code
3. Program codes 790, 791, 802, 808 assigned to Title IV-E Training.
Program codes 793, 795, 800, 801, 803 and 804 assigned to Title IV-E Admin and FSS.

Not included in database: 901 (non-reimbursable), 997 and 998 (SACWIS)
895 (Cultural Diversity Conference), 899 (AT Hudson consultant to metro agencies)
900 (PCSAO Conference).

MAPPING OF SS-RMS CODES TO EXPENDITURE TYPE CATEGORIES

Foster Care

CODE 106 Medicaid administrative case management (custody population) -- case management activities performed on behalf of Medicaid eligibles who are in the legal custody of the CW agency. Distribution is direct charged to Medicaid at 50% FFP

CODE 109 Child welfare case management (custody population) -- case management activities related to persons in the legal custody of the CW agency. Distribution is claimed to IV-E at 50% FFP and is discounted to

the rate of IV-E eligibility within the population.

CODE 111 Child welfare placement and judicial proceedings – activities related to arranging for and supervising placement, and preparing for, and participating in judicial proceedings. Distribution is claimed to IV-E at 50% FFP and is discounted to the rate of IV-E eligibility within the population.

Family Support Services

Code 100 FACES-ESA eligibility -- used for eligibility activities related authorizing emergency services to prevent placement. Not distributed to IV-E. May be distributed to IV-B, Title XX, state, and/or local funds at county option.

Code 101 Intervention and Assessment -- used for child abuse and neglect investigations. Not distributed to IV-E. May be distributed to IV-B, Title XX, state, and/or local funds at county option.

Code 102 FACES-ESA case management -- case management of emergency services cases. Not distributed to IV-E. May be distributed to IV-B, Title XX, state, and/or local funds at county option.

Code 103 FACES-ESA treatment and counseling -- direct services and therapeutic interventions performed by county staff as part of an emergency services authorization. Not distributed to IV-E. May be distributed to IV-B, Title XX, state and/or local funds at county option.

CODE 105 Medicaid eligibility and referral -- all activities related to determining and re-determining Medicaid eligibility and/or referring parties for such a determination. Distribution is direct charged to Medicaid at 50% FFP

CODE 107 Medicaid administrative case management (non-custody population) -- case management activities performed on behalf of Medicaid eligibles who are not in the legal custody of the CW agency. Distribution is direct charged to Medicaid at 50% FFP.

CODE 108 Medicaid transportation -- transporting, or arranging for the transportation of, Medicaid eligible individuals to and from medical services. Distribution is direct charged to Medicaid at 50% FFP.

CODE 110 Child welfare case management (non-custody population) -- case management activities related to cases involving agency efforts to prevent removal into foster care. Distribution is claimed to IV-E at 50% FFP and is discounted to the rate of IV-E eligibility within the population.

CODE 112 Child welfare treatment and counseling (custody population) -- direct services and therapeutic interventions performed by county staff for a child in the legal custody of the CW agency. Not distributed to IV-E. May be distributed to IV-B, Title XX, state and/or local funds at county option.

CODE 113 Child welfare treatment and counseling (non-custody population) -- direct services and therapeutic interventions performed by county staff for persons not in the legal custody of the CW agency. Not distributed to IV-E. May be distributed to IV-B, Title XX, state and/or local funds at county option.

CODE 116 Independent living administration -- activities related to the operation of the agency's independent living program. Distribution is claimed to the county's independent living allocation. Claims in excess of the allocation are 100% local funds.

CODE 425 Family Stability Program -- activities related to the CW agency serving as fiscal agent for the county's family stability incentive award administered by ODMH. Distribution is claimed to the award.

CODE 430 Early Start Program -- activities related to the CW agency serving as fiscal agent for the county's early start award administered by ODE. Distribution is made to the award.

Title IV-E Eligibility

CODE 104 IV-E eligibility -- all activities related to determining and re-determining IV-E eligibility. Distribution is direct charged to IV-E at 50% FFP.

Training

CODE 115 Child welfare training -- training of staff, foster parents, and adoptive parents in child welfare practice. Distribution is claimed to IV-E at 75% FFP and is discounted to the rate of IV-E eligibility within the population.

SS-RMS categories not included in analysis:

CODE 114 Fee for service -- activities where the CW agency is being paid by a third party for its efforts. Time is discarded. Income paid to the CW agency is used to reduce the aggregate cost pool.

CODE 899 Nonreimbursable activities -- activities that cannot be claimed to federal or state funding streams. Time is discarded. Costs associated with activities is used to reduce the cost pool.

APPENDIX 4 – Exhibit 3

Fiscal Information Audit Protect Ohio Evaluation

Introduction

This document is the report of the fiscal information audit conducted by Chapin Hall pursuant to the workplan of the Protect Ohio evaluation. The purpose of the audit was to determine how child welfare revenue and expenditure data are currently tracked by the Ohio Department of Human Services (ODHS) and counties and how these data sources could be used to answer evaluation questions. The report has three parts. First, we restate the research questions pertaining to finance as posed in the proposal for the Protect Ohio Evaluation. Second, we provide a description of the state level data sources, along with the strengths and weaknesses of each for use in the evaluation. These descriptions are based on interviews with ODHS and county staff. Third, we propose a data collection and analysis plan that Chapin Hall will undertake within the current evaluation budget. Fourth, we offer two additional options to extend the capacity for fiscal analysis that would require additional evaluation resources.

I. Research Questions

The following section restates the research questions as posed in the proposal for the Protect Ohio evaluation. The questions are restated in three broad areas: fiscal changes at the system level, structural changes at the system level, and fiscal consequences at the child and family level.

1. What are the fiscal consequences, at the system level, of shifting to a prospective reimbursement system?
 - 1.1. Has the demonstration led to a change in overall child welfare costs and in how those costs are distributed among out-of-home care and in-home, community based services?
 - 1.2. How does spending on administration, training and IV-E eligibility determination change?
 - 1.3. Do other forms of cost shifting take place involving other federal, state, and/or local funding streams such as Medicaid, mental health or courts claiming IV-E reimbursement outside of Protect Ohio?
2. What are the structural consequences, at the system level, of shifting to a prospective reimbursement system?

- 2.1. How is workload between the public and private sector reallocated? Do the public and private sectors share more management, administration and training costs?
- 2.2. Does the demonstration increase capacity to measure outcomes and utilize automated decision support systems?
- 2.3. How do purchasing methods change?
- 2.4. What rate setting models are adopted at the local level? What type of risk sharing schemes are introduced?
- 2.5. What types of contracts are put into place? Do vendors develop subcontracts?
- 2.6. What types of networks are formed?
- 2.7. Is there consolidation within the provider community?
- 2.8. How are these changes related to the quality and level of services?
3. What are the fiscal consequences, at the child and family level, of shifting to a prospective reimbursement system?
 - 3.1. How much money is spent per child or family in the demonstration and comparison counties?
 - 3.2. Do demonstration counties spend less per child on out-of-home placements than comparison counties?
 - 3.3. How do demonstration and comparison counties differ in how much they spend on children and families with different needs?
 - 3.4. For a given type of family or child, are better outcomes achieved per dollar spent in demonstration counties than in comparison counties?
 - 3.5. For a given level of expenditure, are children and families in demonstration counties more likely to have good outcomes?
 - 3.6. For a given level of expenditure, are children and families in demonstration counties more likely to be satisfied with the services they received?

II. Existing State Data Sources

The following section includes descriptions of the state level data sources that were identified by the evaluation team, along with the strengths and weaknesses of each.

ODHS 2820

Each month, each county fills out a 2820 -- a Children Services Monthly Financial Statement -- based on a coding guide. The current version of the 2820, which must include all child welfare expenditures, became effective January 1, 1997. As of that date, each county must maintain a Children's Services Fund that includes all state, local and federal funds related to child welfare. The 2820 reports provide a record of expenditures and revenue streams flowing in and out of this fund. The guide pairs service categories with fund types. For example, one total foster care expenditure would be divided over two codes -- one for the federal share and one for the non-federal share.

The advantages of the 2820 are:

- It accounts for expenditures by funding stream.
- For services other than foster care, county and contracted expenditures are distinguishable.
- It includes all children, both IV-E and non-IV-E.
- It includes all child welfare expenditures, except Medicaid services, a small amount of Title XX expenditures which appear on the CDHS (County Department of Human Services) form, and TANF funds spent on children's services but not transferred to the child welfare department.

The weaknesses of the 2820 are:

- Not child-specific.
- No units of service data available to explain variations in spending or calculate unit costs.
- The service categories are broad - county administration, contracted services, foster care and adoption assistance. Some additional detail is available through funding streams, like independent living, foster day care, ESA (Emergency Services Allocation) and PASSS (Post-Adoption Special Services Subsidy).
- To date, demonstration counties have not been dividing Protect Ohio expenditures between a foster care and non-foster care category.
- Payments to foster parents and contracted expenditures for foster care are in one category, making it impossible to separate public and private expenditures for foster care.

- Foster care contracts generally include care management and treatment expenditures. This problem is exacerbated by managed care contracts. Counties can report payments to managed care contractors on foster care lines, even though a significant amount of non-foster care services are delivered through those contracts. This may become more of an issue as more counties negotiate managed care contracts.
- Counties are reporting cash outlays rather than expenditures for service periods.
- Counties sometimes claim above their allocation for SCPA (State Child Protection Allocation), Title XX, or ESA. The 2820 is often not adjusted to reflect what they actually received from those revenue streams and to reflect an increase in local expenditures.
- Not all counties report TANF expenditures for child welfare services on the child welfare 2820. Some include these expenditures on the public assistance 2820.

ODHS 4280

The ODHS 4280 is used to prepare the HHS IV-E-12 Part VII. On this report, counties report the number of children in care at the end of the quarter and the expenditures on their behalf during the quarter. The fiscal data (not the number of children data) is the same data that was used to set the base for the initial cost neutrality calculation. It is being used to calculate the unit cost growth for the control counties for the cost neutrality calculation. The 4280 is available back to the early 80s.

Advantages:

- The fiscal data is the same data that is being used for the cost neutrality calculation. In addition, ODHS is using the aggregate fiscal data, in combination with FACSIS care day data, to analyze each demonstration county's profit or loss under the demonstration.
- It includes both IV-E and non-IV-E children.
- The fiscal and recipient data is broken down by type of care:
 - foster family home - non relative
 - foster family home - relative
 - adoptive home (not legalized)
 - private institutions
 - public institutions
 - group home
 - other

Disadvantages:

- Not all counties report the same costs. Some report cash expenditures on behalf of the children in care at the end of the quarter and some report by services received during quarter. Some report all expenditures for all children during the quarter. This makes it difficult to accurately match care days to expenditures to calculate unit costs.
- Not child specific.
- Cost for IV-E and non-IV-E children are not distinguishable.
- Recipient data is given in terms of number of children, as opposed to caredays, and may be unreliable. However, FACSIS may allow us to pull care days for the relevant period as a proxy for units of service.
- Few counties report licensed relative foster homes separately. Most say these are included in line 1.

ODHS SSRMS (Social Services Random Moment Survey)

The ODHS SSRMS is the cost allocation survey the state and counties use to allocate total county direct expenditures to relevant federal and state reimbursement categories. Based on the categories and guidelines developed by the state, each county conducts its own time study each month. The county-specific SS-RMS data goes back to July 1996, though some counties suspect that counties did not learn to do conduct their own studies accurately until the January-March 1997 quarter.

Advantages:

- Many of the RMS categories are relevant for the evaluation, including:
 - Medicaid administrative case management - custody population
 - Medicaid administrative case management - non-custody population
 - Child welfare case management - custody population
 - Child welfare placement and judicial proceedings
 - Child welfare treatment and counseling - custody population
 - Child welfare treatment and counseling - non-custody population
 - FACES-ESA case management (presume non-custody)
 - FACES-ESA treatment and counseling (presume non-custody)
 - TANF case management (presume non-custody) *(new this fall)*
 - TANF treatment and counseling (presume non-custody) *(new this fall)*
 - Independent Living administration
 - Child Welfare Training
 - Title IV-E eligibility
 - Medicaid eligibility

Disadvantages:

- Not child-specific.
- No units of service data to calculate per child costs.
- Some SSRMS data will need explanation and modification to be useful for evaluation purposes. As one county fiscal officer explained, workers are asked to favor some categories over others at various times for fiscal reasons, causing fluctuations in allocation percentages that are not related to program changes. Large changes in allocations will have to be explored and explained.
- Costs for different permanency tracks (reunification, adoption, independent living) are indistinguishable. In other words, it is not possible to divide a county's effort in case management over categories like case management to reunify, case management to adopt or case management to prepare for independent living.
- While the SSRMS could roughly provide the portion of costs spent on case management, treatment and counseling for children in county-supervised foster homes, comparable costs for case management, treatment and counseling would be difficult to extract from private agency contracts.

ODHS IV-E payment system

The IV-E benefit issuance system, which is not a part of FACSIS but is linked to it, contains some automated cost information for IV-E children. IV-E payments for county-operated foster care are recorded. Through the 1925 process, payments to contract agencies are also recorded in electronic format by child, month, provider, and total cost. Actual days of service during a month are not kept on this system, but presumably this information could be matched to FACSIS to obtain the care days delivered during this period.

Advantages:

- Costs are reported for a service period, rather than on a cash basis.
- Costs are linkable to children and all other information in FACSIS

Disadvantages:

- Protect Ohio counties do not record this data as of Oct. 1, 1997.
- Only out-of-home care costs are included.

- Only IV-E eligible children are included.
- Costs represent IV-E eligible costs that were within the state's rate ceilings, not necessarily what was actually paid.

ODHS 4281

Up until July 1997, the ODHS 4281 had three parts. Part A used to report recipients and expenditures under the FACES (Family and Children Emergency Services) program.

Categories of service included:

- Diagnostic
- Domestic violence
- Emergency Caretaker
- Emergency Shelter
- Home Health Aid
- Homemaker
- In-Home
- Parent Education
- Post-Finalization
- Respite Care
- Special Services for Alcohol and Drug Abusers
- Therapeutic Counseling
- Transportation

In addition to the number of families served within each category, counties also had to report an unduplicated family count across all categories.

The new form only has Parts I and II, formerly Parts B and C. Part I is used to report on Independent Living expenditures and recipients. Part II, which is the only part which is consistently filled out, is used to calculate each county's Title IV-E eligibility rate. Part II provides a monthly average count of all children in substitute care placements and of those, children eligible for Title IV-E. These child counts do not correspond to any other reported expenditure data.

Without the former Part A, this reporting form does not contain expenditure information useful for the evaluation.

Overall Weaknesses

To summarize, state level data sources have two major weaknesses. First, there are no good sources of data on non-out-of-home care services. The 2820 codes for contracted services provide total cash expenditures but no information on the type of service, the

number of units of service provided, the number of children served or when the service was delivered. The SSRMS codes are only divided by services delivered while in out-of-home care and services delivered either before or after out-of-home care. Richer distinctions among the categories of prevention, protection and permanency are not possible.

Second, among statewide data sources on out-of-home care, there is no match between expenditure and unit of service information, making the calculation of unit costs a challenge. The one exception could have been the IV-E benefit issuance system. Unfortunately, because demonstration counties no longer enter data into the benefit issuance system, it is virtually useless for the evaluation. 2820 and 4280 data do not match FACSIS because expenditures are reported on a cash basis.

Without information on the number of units associated with expenditures, it is difficult to explain the information communicated by total expenditures. For example, one county may have the same level of expenditures on out-of-home care as another, but may be supplying many fewer units of care at a higher cost. Total expenditure numbers fail to reveal this difference. In addition, cash-based expenditure information is subject to variation based on billing practices. These fluctuations may appear in the data without reflecting any real expenditure variations.

III. Data Collection and Analysis Within Current Contract

The budget for the Protect Ohio evaluation, pursuant to the instructions in the Request for Proposals, reflected that the evaluators would rely primarily on existing sources of financial data, supplemented by interviews with individual counties. Unfortunately, as outlined above, serious gaps exist in the information available at the state level. And, officials at ODHS have indicated some reluctance to impose new data collection on all the demonstration and comparison counties. Therefore, we propose the following data collection plan, which involves field work to make current state level sources more useable and a case study of two counties to address those questions that cannot be answered with state data sources. This plan can be accomplished within existing evaluation resources. Should ODHS wish to have a fuller explanation of the fiscal research questions, Section IV offers two additional data collection options, requiring an expansion of the current evaluation.

Question 1.1 can be answered roughly using the ODHS 2820, ODHS 4280, FACSIS data, SSRMS data, and Medicaid data, combined with significant field work to verify, adjust and interpret these data. The 2820 will be the primary source for fiscal data, with some additional verification from the 4280 if necessary.¹ The evaluators will take the lead in

¹ While both the ODHS 2820 and the ODHS 4280 have the cash/date of service problem, we recommend using the 2820 over the 4280 as the primary source for out-of-home care expenditure data for two reasons. First, the 2820 is used to calculate whether counties have spent up to the MOE required to receive SCPA funds, which provides some assurance around reporting accuracy. The 4280 is not used for any funding-related purpose. Second, as described in Section II, the 4280 is subject to reporting variability, making it more labor-intensive to match FACSIS care days to expenditures.

making sure adjustments get made, but will require the full cooperation of counties and ODHS staff. Based on phone interviews and site visits, we have identified the following necessary adjustments:

- For the 2820, ODHS will have to give and instruct demonstration counties to use a non-foster care services code for Protect Ohio expenditures for non-foster care services. Currently, they are only using one code: 815.
- Adjustments for cash/date of service anomalies will have to be made to improve the match between 2820 and 4280 fiscal data and FACSIS care day data. These could be extensive for both demonstration and comparison counties.
- Adjustments for demonstration and comparison counties with managed care contracts that report all expenditures in the 500 (foster care) codes will have to be made. Some portion of these expenditures will have to be moved into the services category.
- Adjustments for child welfare services purchased with TANF that did not appear on the children's services 2820 will have to be made.
- Other adjustments will undoubtedly be necessary as the 2820 changes and as counties change their strategies for reporting expenditures.

Question 1.2, pertaining to administrative, training and eligibility costs, will be evaluated using SSRMS data. Significant interviewing will also be necessary for this data source. Since the SSRMS is meant as a tool to allocate funds, not to track program activity, there will be data collected that will need explanation and modification to be useful for evaluation purposes. As one county fiscal officer explained, there is often more than one category that a worker can choose to account for his or her time. Workers are asked to favor some categories over others at various times for fiscal reasons. Notable changes in the percentages allocated to certain categories will have to be explained.

Question 1.3, pertaining to cost shifting, will have to be evaluated through both state level data and interviews. Cost-shifting to Medicaid-funded mental health services will be tracked with the state Medicaid data systems. However, juvenile court claims to Title IV-E outside Protect Ohio are not available at the state level and will be tracked, roughly, through annual site visits with the counties, coordinated through HSRI.

The system questions under Question Two will be covered by the interviews conducted as part of the process evaluation. They will be crucial to both ensuring accuracy of fiscal data and interpreting results. Chapin Hall will collaborate on these interviews with the entire evaluation team.

Question Three and its corollaries demand information that is unavailable at the state level, with two limited exceptions. Per child and per unit out-of-home care expenditures can be calculated to answer Question 3.2 for all counties, using data developed as part of Question 1 (adjusted 2820 data and FACSIS data). These per child expenditures can be

matched to county-wide data calculated as part of the outcome study and the client satisfaction study (Questions 3.5 and 3.6). However, these expenditures are only for out-of-home care and do not account for expenditures on preventive, reunification or adoption services.

To more fully address these questions, as well as Questions 3.1, 3.3, and 3.4, we propose to do two case studies -- one demonstration and its comparison county. In the last section of this report, we also present two options to expand responses in this area beyond two counties, but these will require additional evaluation resources.

In the case study counties, the evaluators will conduct a detailed study of expenditure patterns, both at the system and the child level. The additional data collected will include:

- expenditures and service units by type of out-of-home care
- expenditures and service units by type and timing of non-out-of-home care services

Only counties with electronic expenditure tracking and the ability to link expenditure data to FACSIS data will be chosen. The evaluators will design a data base for each county containing both fiscal and program information. Demonstration counties that appear to have the capacity to be a case study county are Hamilton, Portage, Clark, Franklin, and possibly Stark.

As an incentive to be a case study county, evaluators will regularly share analyses from the data base and offer technical assistance in using the data for program planning and rate-setting.

These two sites will also be included in the outcome and client satisfaction interviews scheduled in year five of the evaluation, so that expenditure, outcome and client satisfaction data can be linked. (Questions 3.4, 3.5, 3.6)

To summarize, the most complete fiscal analysis that we can conduct within the current evaluation contract would have the following components:

- Use ODHS 2820, Medicaid, SSRMS, and FACSIS data to evaluate the shift from out-of-home care to non-foster care services. No detail beyond these broad categories will be available. Data from these systems would be transferred in an electronic format agreed upon by Chapin Hall and ODHS. With the exception of Medicaid data for children in foster care, no children served or units of service data for non-foster care services will be available. Problems with the data identified above will affect the accuracy of the analysis. *ODHS staff will have to keep evaluators informed about changes to the 2820 and SSRMS.*

- Use interviews to address other fiscal changes that take place as a result of Protect Ohio on a county by county basis. Most of this information will come from the site visits of other members of the evaluation team. In addition, phone or on-site interviews will be conducted by Chapin Hall staff with fiscal officers of demonstration and comparison counties each winter to:
 - discuss data provided by Chapin Hall generated from state reports.
 - agree upon adjustments
 - discuss changes in expenditure tracking from prior years
 - obtain copies of budget and fiscal reports

- Choose one demonstration and one control county to participate in a more detailed study of expenditures patterns, both at the system and the child level, for out-of-home care and non-out-of-home care services. Such a case study would be linked to the outcome interviews scheduled in year five of the evaluation.

The data collection template for this plan is shown in Figure 1.

IV. Two Additional Data Collection Options

To provide ODHS with a more thorough explanation of the fiscal consequences of Protect Ohio at the child and family level, (Question 3), we propose two additional data collection options. Each of these options would be data collection efforts *in addition to* the plan described above, and would require additional resources beyond the current evaluation budget. We propose these options because we believe they would enrich the fiscal information database and the consequent learning which could occur from the Protect Ohio experiment.

OPTION 1 -- New data collection on types of non-placement services.

As stated above, one of the major weaknesses in existing state level data sources is that there are no good sources of data on services provided other than out-of-home care. Some information about these kinds of services will be gathered through interviews and review of budget documents. However, according to our interviews of twelve out of fourteen demonstration counties, every county tracks these services differently and many do not track them at all. While the information is available on bills and other documents, very few track the number of units of service and the number of recipients of certain types of service. Thus, centralized data collection with consistent definitions would be necessary to make this information useful.

Option 1 consists of developing a new report for counties to submit on which they divide their own expenses and their contract expenditures by a series of service categories, similar to the former Part I of the ODHS 4281. Based on our interviews with counties, the following categories could be useful:

Diagnostic
Homemaker
In-Home Services
Therapeutic Counseling
Parent Education
Adoption Services
Special Services for Alcohol and Drug Abusers
Other (Specify large categories)

The data collection template for this option is shown in Figure 2.

To get consistent data from all the counties, a new data collection instrument would have to be developed and required by ODHS for both demonstration and comparison counties. Both demonstration and comparison counties would also have to estimate their expenditures in these categories for Oct. 1, 1997 through the beginning of data collection.

With this option, the evaluation will be able to consistently report on the types of services that demonstration counties invest in, as compared with control counties.

OPTION 2 -- New data collection on expenditures on preventive, protective, placement and permanency services.

Option 2 would consist of asking counties to submit quarterly reports which divide their own expenses and their contract expenses by the timing of the intervention and where it occurs over the course of a family's involvement in the child welfare system. Possible categories are:

- Prevention - services to families and children who have not had a report of abuse and neglect within the last 12-24 months.
- Protection - services to families and children who have had a report of abuse and neglect, but whose children have not been placed in foster care.
- Placement - services to children and families while a child is in out-of-home care.
- Permanency - services to children and families to achieve permanency, either while they are in care or after, and adoption services.

The data collection template for this option is shown in Figure 3.

To get consistent data from all the counties, a new data collection instrument would have to be developed and required by ODHS for both demonstration and comparison counties. Both demonstration and comparison counties would also have to estimate their expenditures in these categories for Oct. 1, 1997 through the beginning of data collection.

Medicaid expenditures could be divided into pre-placement, during placement, and post-placement categories. To do this, the evaluation team would have to get child-specific Medicaid data and match dates of service to FACSIS dates. While we have not yet seen these data, we understand from discussions with personnel at the Bureau of Medicaid Policy (BMP) that, with the appropriate clearances, this should be possible.

Discussion of Data Collection Options

Of the two options proposed, we believe that collecting information about the purpose of the non-foster care service (prevention, placement, reunification, etc.) would be more valuable for the evaluation than information about the types of service provided. Tracking expenditures in these areas would allow the evaluation to detect not just whether a shift in expenditures from out-of-home care to supportive services occurred, but where the reinvestment took place. Did counties reinvest dollars primarily to prevent initial involvement with the child welfare system? Did they invest primarily in permanency services to assist children already in foster care? Did they invest similar amounts at all points of involvement with the child welfare system? Did these investments differ significantly from control counties?

While this information would greatly enrich the evaluation, asking counties to report their expenditures, service units and children and families served by these categories would be a significant new burden. Only one demonstration county - Franklin County - tracks expenditures in approximately these categories. In interviews with fiscal personnel, all other counties reported that they did not and could not easily divide their own costs and contract costs by these categories, let alone provide the number of children served and the units provided.² However, if counties were instructed to estimate, to the best of their capabilities, the portion of expenditures that fall into these categories, it could still be useful information for evaluating Protect Ohio.

To ensure consistency in any additional data collected for the evaluation, we would recommend that ODHS take primary responsibility for administering the data collection. Making ODHS the data collection agent could also make county compliance more likely. In consultation with Chapin Hall, ODHS would need to:

- Develop data collection forms and instructions, including instructions for quarters back to 10/1/97
- Train counties
- Respond to questions and document them for Chapin Hall
- Receive data
- Enter data into a data base
- Transmit data to Chapin Hall

² Due to county staff time issues, Muskingum and Richland counties have not yet been interviewed. Given the information collected in the Systems interviews, we expect them to be like most other counties in this regard.

Chapin Hall would be primarily responsible for addressing any problems with reported data, and this would be done in the same context as the other state data sources (2820, 4280, SSRMS)

We are happy to discuss either of these options in more detail.

**FIGURE 1 - Data Template Showing Data Sources
Current Contract**

	(A) Total Cost	(B) Total Units	(C) Total Children	(A/B) Cost Per Child/Unit	(A/C) Cost Per Child
Out of Home Care					
County and Contract Combined	adjusted 2820	FACISIS	FACISIS	calculated	calculated
Other Than Out-Of-Home Care					
Services while in Out-of-Home Care -- County Only					
Case Management - County Staff	SSRMS	FACISIS	FACISIS	calculated	calculated
Treatment and Counseling - County Staff	SSRMS	FACISIS	FACISIS	calculated	calculated
Services before or after placement -- County Only					
Case Management - County Staff	SSRMS	None	None	None	None
Treatment and Counseling - County Staff	SSRMS	None	None	None	None
Services before, during or after placement -- Contract					
Contract services -- Non-Foster Care	adjusted 2820	None	None	None	None
Contract Adoption Services	adjusted 2820	None	None	None	None
Services before, during or after placement -- Medicaid					
Community mental health services	BMP	BMP	BMP	calculated	calculated
Drug and Alcohol services	BMP	BMP	BMP	calculated	calculated
In patient services	BMP	BMP	BMP	calculated	calculated
Out patient services	BMP	BMP	BMP	calculated	calculated
Home health services	BMP	BMP	BMP	calculated	calculated
Eligibility Determination	SSRMS	DNA	DNA	DNA	DNA
Training	SSRMS	DNA	DNA	DNA	DNA
BMP -- Bureau of Medicaid Policy					

**FIGURE 2 - Data Template Showing Data Sources
Option 1**

	(A) Total Cost	(B) Total Units	(C) Total Children	(A/B) Cost Per Child/Unit	(A/C) Cost Per Child
Out of Home Care					
County and Contract Combined	adjusted 2820	FACSYS	FACSYS	calculated	calculated
Other Than Out-Of-Home Care					
Gross Costs, Non-Medicaid Funded Services, County Expenditures					
Diagnostic	County	County	County	calculated	calculated
Homemaker	County	County	County	calculated	calculated
In-Home Services	County	County	County	calculated	calculated
Therapeutic Counseling	County	County	County	calculated	calculated
Parent Education	County	County	County	calculated	calculated
Adoption Services	County	County	County	calculated	calculated
Special Services for Alcohol and Drug Abusers	County	County	County	calculated	calculated
Other (Specify large categories)	County	County	County	calculated	calculated
Gross Costs, Non-Medicaid Funded Services, Contract Expenditures					
Diagnostic	County	County	County	calculated	calculated
Homemaker	County	County	County	calculated	calculated
In-Home Services	County	County	County	calculated	calculated
Therapeutic Counseling	County	County	County	calculated	calculated
Parent Education	County	County	County	calculated	calculated
Adoption Services	County	County	County	calculated	calculated
Special Services for Alcohol and Drug Abusers					
Other (Specify large categories)	County	County	County	calculated	calculated
Gross Costs, Medicaid funded Services					
Community mental health services	BMP	BMP	BMP	calculated	calculated
Drug and Alcohol services	BMP	BMP	BMP	calculated	calculated
In patient services	BMP	BMP	BMP	calculated	calculated
Out patient services	BMP	BMP	BMP	calculated	calculated
Home health services	BMP	BMP	BMP	calculated	calculated
Eligibility Determination	SSRMS	DNA	DNA	DNA	DNA
Training	SSRMS	DNA	DNA	DNA	DNA

**FIGURE 3 - Data Template Showing Data Sources
Option 2**

	(A) Total Cost	(B) Total Units	(C) Total Children	(A/B) Cost Per Child/Unit	(A/C) Cost Per Child
Out of Home Care					
County and Contract Combined	adjusted 2820	FACSYS	FACSYS	calculated	calculated
Other Than Out-Of-Home Care					
PREVENTION					
County - % of SSRMS Case Management	County	County	County	calculated	calculated
County - % of SSRMS Treatment	County	County	County	calculated	calculated
Contracts - Portion of 2820 Contract Expenditures	County	County	County	calculated	calculated
Medicaid - Mental Health Services	BMP	BMP	BMP	calculated	calculated
Community mental health services	BMP	BMP	BMP	calculated	calculated
Drug and Alcohol services	BMP	BMP	BMP	calculated	calculated
In patient services	BMP	BMP	BMP	calculated	calculated
Out patient services	BMP	BMP	BMP	calculated	calculated
Home health services	BMP	BMP	BMP	calculated	calculated
PROTECTION					
County - % of SSRMS Case Management	County	County	County	calculated	calculated
County - % of SSRMS Treatment	County	County	County	calculated	calculated
Contracts - Portion of 2820 Contract Expenditures	County	County	County	calculated	calculated
PLACEMENT -- SERVICES ONLY					
County - SSRMS Case Management in care population	County	County	County	calculated	calculated
County - SSRMS Treatment in care population	County	County	County	calculated	calculated
Contracts - Portion of 2820 Contract Expenditures	County	County	County	calculated	calculated
Contracts - Portion of 2820 Foster Care Expenditures	County	County	County	calculated	calculated
Medicaid - Mental Health Services	BMP	BMP	BMP	calculated	calculated
Community mental health services	BMP	BMP	BMP	calculated	calculated
Drug and Alcohol services	BMP	BMP	BMP	calculated	calculated
In patient services	BMP	BMP	BMP	calculated	calculated
Out patient services	BMP	BMP	BMP	calculated	calculated
Home health services	BMP	BMP	BMP	calculated	calculated
PERMANENCY					
County - % of SSRMS Case Management	County	County	County	calculated	calculated
County - % of SSRMS Treatment	County	County	County	calculated	calculated
Contracts - Portion of 2820 Contract Expenditures	County	County	County	calculated	calculated
Contracts - Portion of 2820 Foster Care Expenditures	County	County	County	calculated	calculated
Medicaid - Mental Health Services (post-placement only)	BMP	BMP	BMP	calculated	calculated
Community mental health services	BMP	BMP	BMP	calculated	calculated
Drug and Alcohol services	BMP	BMP	BMP	calculated	calculated
In patient services	BMP	BMP	BMP	calculated	calculated
Out patient services	BMP	BMP	BMP	calculated	calculated
Home health services	BMP	BMP	BMP	calculated	calculated
Eligibility Determination	SSRMS	DNA	DNA	DNA	DNA
Training	SSRMS	DNA	DNA	DNA	DNA

APPENDIX 4 – Exhibit 4

Cost Shifting Behavior – Use of Juvenile Court IV-E Agreements

Capitation payments made to the demonstration specifically exclude from subsequent budget neutrality computations IV-E payments made to juvenile courts who have executed agreements with ODHS to receive such payments under 42 USC 672 (a)(2). In demonstration counties, having courts execute such agreements with ODHS effectively transfers placement days which have been pre-paid and capitated to the demonstration county to another entity which has the capacity to seek reimbursement outside the capitation. In short, this gaming strategy effectively allows FFP to be generated twice for the same placement if the IV-E court agreement is executed after the beginning of the demonstration.

At the end of FFY '98, juvenile courts in 3 demonstration counties had executed IV-E agreements with ODHS. The courts of 2 of these 3 counties, however, had executed their agreements with ODHS prior to the close of SFY '97 – the placement day basing period for the capitation – and thus these counties did not experience subsequent cost-shifting gains. At the close of FFY '97, demonstration counties with courts that had executed IV-E agreements experienced 612,909 placement days. At the close of FFY '98, demonstration counties with courts that had executed IV-E agreements experienced 644,947 placement days.

By comparison, at the end of FFY '98, juvenile courts in 4 budget neutrality counties had executed IV-E agreements with ODHS. The courts of 3 of these 4 counties executed agreements with ODHS prior to the close of SFY '97 – the placement day basing period for the capitation. At the close of FFY '97, budget neutrality counties with courts that had executed IV-E agreements experienced 483,512 placement days. At the close of FFY '98, budget neutrality counties with courts that had executed IV-E agreements experienced 607,883 placement days.

At the completion of the first year of the demonstration, ODHS has not detected any greater tendency for demonstration counties to push their courts to executing IV-E agreements with ODHS than has been the case in the budget neutrality counties – even though demonstration counties would have a higher financial incentive to do so.