

## CHAPTER 7: INSIGHTS ON WAIVER EFFECTIVENESS IN SPECIFIC COUNTIES

### 7.1 INTRODUCTION

The preceding chapters have presented findings concerning organizational reform in local child welfare systems, shifts in county expenditures, variations in agency caseloads, and changes in child and family outcomes. Overall, the wide array of PCSA actions has not translated into substantially better outcomes in demonstration counties. The evaluation team has outlined many of the reasons such aggregate differences were unlikely.

However, it is reasonable to expect that some counties have nonetheless seen positive Waiver effects. This belief has guided Year 5 evaluation activities in both the Participant Outcomes study and the Process Implementation study, which have focused on learning more about a discrete set of counties. Building from the results of the Year 5 counterfactual analysis the evaluation team selected a subset of the demonstration counties which experienced the most significant changes related to children exiting their first out-of-home placement. Study staff visited each county to discuss the findings with PCSA managers and other key community partners. The participants offered insight into reasons for the observed changes, and provided detailed information about related policy and practice changes. As a group, the case studies begin to explain how different applications of the Waiver can result in different evaluation findings.

Drawing on both the team's extensive knowledge of the 28 study counties acquired in four years of site visits, and the conversations in Year 5 concerning the counterfactual results, this chapter speaks to the issues of Waiver impact and cost effectiveness at the individual county level. This information contributes to understanding one of the priority outcomes identified by the demonstration counties:

- Outcomes achieved for a given level of expenditure

The following sections discuss the dynamics of change in six demonstration counties, highlighting the interconnections among the process, fiscal and participant outcome findings. Although each case study is an accurate reflection of the county's experiences during the Waiver, it is important to note that the conclusions cannot be extrapolated to the full set of ProtectOhio counties. Because a single demonstration county is compared to the comparison counties as a whole, it may be the case that some unspecified factors existed in that one county and not in comparison sites, making it appear to be an effect of the Waiver when it was not.

Each case study describes the major organizational changes adopted, and then systematically examines outcomes achieved in (1) pre-placement, (2) placement, and (3) permanency. Substantive findings from all aspects of the evaluation are brought together to offer a coherent picture of the effect of the county's Waiver participation.

#### *Case Study Counties*

- ✓ Fairfield
- ✓ Lorain
- ✓ Muskingum
- ✓ Franklin
- ✓ Stark
- ✓ Clark

## **7.2 FAIRFIELD COUNTY PCSA: CASE STUDY**

Fairfield County is located in the central part of the State. The population of the County is about 127,400, with just over one quarter of that living in the County's largest town, Lancaster. The County population has grown steadily over the last 10 years. The unemployment rate in January 2003 was slightly lower than the State average, 5.7% versus 6.0% State average. Concomitantly, Fairfield County's poverty rate is much lower: 5.9% in Fairfield versus 11.0% State average in 2000. Teen birth rates are lower than the State average, out of wedlock birth rates are much lower than the State average, and juvenile crime is much lower than the State average. Fairfield County Children Services (FCCS) provided assistance to 514 children in ongoing cases at the end of federal fiscal year 2001. This figure represents approximately 1.5% of children under the age of 18 living in the county, which is slightly less than the average (2.0%) percentage for other demonstration counties. (see Appendix V-8) .

The Fairfield County Children's Services Division (FCCSD), which is the PCSA in Fairfield County, is a part of the Department of Jobs and Family Services. The PCSA decided to enter the Waiver in order to have the opportunity to be more creative in how funds were used, and to become part of a group of county directors who could test new ideas and share results. The agency's initial goals were to develop a strong foster care system internally, in order to reduce reliance on network foster care, and to improve access to mental health services. Early in the Waiver, FCCSD management also became focused on serving infants and on strengthening concurrent planning and timely closure of cases.

Since the implementation of the Waiver, the PCSA has focused on (1) changing the case flow to provide more intensive services while clients are in intake, in order to prevent placement, (2) creating a dual track at intake with 75% of clients provided short-term services during intake, and the remaining 25% of clients shifted to ongoing services, (3) increasing the use of relative placements and improving the agency's ability to recruit and retain foster parents, and (4) improving the agency's ability to do concurrent planning, particularly for children under age 6. Collaborative efforts with other child-serving agencies in the community have also enhanced the agency's efforts.

The following sections describe basic operational changes made in the FCCSD, shifts in initial interventions for children and families (preventing placement), changes in placement patterns, and shifts in permanency outcomes.

### **7.2.1 Fundamental Changes in FCCSD Operations**

When the Waiver option was first introduced to Ohio counties, FCCSD was near the end of several years of financial difficulties. Formerly a children's services board, the Fairfield County Children Services Board (CCSB) had a ten-year levy that expired in 1995. During the last four years of the levy period, funds were not available for staff raises or replacement hiring, leading to staff morale problems, which eventually resulted in a divisive staff strike in December of 1997. Exacerbating a difficult situation, due to a

child death in 1991, the agency had 3 successive levy votes fail in the County. After these levy failures, not uncommon in the County in other areas as well, the children's services function was integrated into the County Department of Human Services (now known as Department of Job and Family Services, DJFS) as the Children's Services Division. Coupled with a change in leadership, the DJFS integration seems to have improved many of the morale and fiscal problems experienced by Children's Services.

Agency leadership is credited with fostering an increase in community partnering and collaboration to develop needed services and resources. Fairfield County has strong collaborative relationships with other child-serving entities; while the relationship with the court has been strong throughout the Waiver period, relationships with mental health have improved since the beginning of the Waiver, and the Families and Children First Council is particularly strong. The PCSA ability to collaborate with other community agencies, particularly through the Cluster, has reportedly been enhanced by the availability of flexible Title IV-E funds.

Adopting managed care strategies has not been a particular focus of Fairfield County. On the managed care index developed for the Process Study, FCCSD falls in the low-range of demonstration counties (Table 7.1), but its score is higher than eight of the 14 comparison counties (Appendix V-5). Being a small, primarily rural county, the PCSA does not face many of the data demands of larger counties; for example, it is able to easily keep track of the handful of children it has in residential treatment at any one time.

| <b>Table 7.1: Managed Care Components in Fairfield County</b> |                  |                              |                           |
|---------------------------------------------------------------|------------------|------------------------------|---------------------------|
|                                                               | <b>Fairfield</b> | <b>Average Demonstration</b> | <b>Average Comparison</b> |
| Managed care index+                                           | 34.56            | 43.6                         | 36.1                      |
| Service array                                                 | 3.5              | 5.8                          | 6.8                       |
| Targeting                                                     | 1.5              | 2.0                          | 1.5                       |
| Case management                                               | 4.0              | 5.4                          | 5.1                       |
| Competition                                                   | 7.0              | 7.1                          | 4.9                       |
| Financing                                                     | 3.0              | 4.9                          | 2.3                       |
| Utilization review                                            | 6.0              | 6.4                          | 5.6                       |
| Quality assurance                                             | 8.0              | 8.8                          | 7.4                       |
| Data Management                                               | 2.0              | 2.9                          | 2.2                       |

+ Index score is a weighted sum of the components.

The single area where FCCSD scored close to the demonstration county average was in the area of competition. This score can be linked to its internal efforts to compete with network foster homes by strengthening and improving its own foster care network, and to its movement toward directly providing or purchasing services, such as mental health services, that were previously available only through the mental health board.

### **7.2.2 Development of Dual Track Intake Accompanied by Prevention and Home-Based Services**

Between 1997 and 2001, Fairfield County experienced an 18% increase in child abuse incidents (Table 7.2). All demonstration counties had a 17% decrease in incidents, while comparison counties had a 42% decrease in incidents. Since the number of incidents is a function of the screening process as well as alternative service availability, Fairfield County's increases are likely attributable to the shift to the dual track system. FCCSD serves most families through intake with the provision of short-term services, hence the agency may be able to serve more families with preventive, home-based services than in the past, and may thus be more willing to open cases than in the past. However, by Year 4, the agency, concerned with the increasing number of referrals, began to implement more thorough screening, including collateral contacts, better training for screeners, and additional screening staff, in order to keep the number of required investigations relatively constant.

The intake unit provides a range of services on a short-term basis to avoid cases having to be transferred to ongoing services. The services offered include: mental health therapist on staff, contracted mental health assessments, a parent educator, drug screening within the agency, linking families with other community services, flexible funds, and a mentoring program. All of these interventions are intended for both intake and ongoing cases, but the focus of the agency is on providing short-term interventions while the case is in intake, so that cases do not have to transfer to ongoing services.

About 79% of the cases served are abuse/neglect cases, having decreased slightly (1%) since 1997. This decrease is consistent with the increase in incidents, and with the director's efforts to expand the service population to include at-risk children under 6. Fairfield County's percent of abuse and neglect cases is similar to the demonstration counties as a whole, which was 80% in 1997, and had dropped to 75% by 2000.

#### *Increased Capacity to Serve Families Quickly and Effectively*

The dual track system implemented by FCCSD means that most clients (75%), upon entering intake, are provided with short-term services and interventions to meet short-term crises and other needs, with cases being closed within 60 days. Only families with long-term needs and/or abuse issues are transferred to the ongoing unit. Consistent with these activities, a slightly higher percentage of children were served in the home in 2001 than in 1997 (75% compared to 73%). This is comparable to the increase of 2% among the demonstration counties, and contrasts with a 3% decrease among comparison counties.

In spite of efforts to divert families from the ongoing child welfare system, the point-in-time number of children in custody at the end of 1997 compared to the end of 2000 increased by 27% in Fairfield County, signifying an increase in the number of children in care at any given time. This is substantially greater than the increases in the demonstration counties (10%) and the comparison sites (13%). While the dual track system may be reducing new case openings, increasing custody numbers may be reflecting the volume of cases already open to agency services.

| <b>Table 7.2: Participant Outcomes for Fairfield County (FFY)*</b>     |                  |                                          |                                       |
|------------------------------------------------------------------------|------------------|------------------------------------------|---------------------------------------|
|                                                                        | <b>Fairfield</b> | <b>All Demonstration Counties (n=14)</b> | <b>All Comparison Counties (n=14)</b> |
| Child abuse incidents: 1997                                            | 622              | 28,503                                   | 21,620                                |
| Percent change '97-'01                                                 | 18 %             | -17 %                                    | -42 %                                 |
| Percent cases that are abuse/ neglect (versus non-abuse/neglect): 1997 | 80 %             | 80 %                                     | 75 %                                  |
| Change in percent '97-'00                                              | -1               | -5                                       | -5                                    |
| Percent children served in-home (versus in placement): 1997            | 73 %             | 75 %                                     | 78 %                                  |
| Change in percent '97-'01                                              | +2               | +2                                       | -3                                    |
| Children in custody at year end: 1997                                  | 115              | 6,387                                    | 4,102                                 |
| Percent change '97-'00                                                 | +27 %            | +10 %                                    | +13 %                                 |
| New children available for adoption subsidy: 1997                      | 11               | 565                                      | 296                                   |
| Percent change '97-'00                                                 | -45 %            | +40 %                                    | +32 %                                 |
| Children in permanent commitment at year end: 1997                     | 29               | 1227                                     | 853                                   |
| Percent change '97-'00                                                 | 0 %              | +35 %                                    | +28 %                                 |
| Children in PPLA at year end: 1997                                     | 15               | 1013                                     | 535                                   |
| Percent change '97-'00                                                 | -67 %            | +4 %                                     | +28 %                                 |

\*Data was incomplete for Fairfield County, therefore the total increase in all other child welfare expenditures as a percent of total child welfare expenditures could not be calculated.

Because of the shift from CSB to DJFS, and the concomitant change in accounting systems, the evaluation team has not been able to undertake the same level of fiscal analysis that was done for other study counties. However, it is evident that, since 1996, the agency has increased the overall number of caseworkers and other support workers, improving its capacity to serve families more quickly. Aggregate expenditure information reflects this increase—spending on staff and related administrative

expenditures has increased 109% since 1996 (Appendix II). Through SFY99, the agency had increased staff levels by one third. Since that time, because of a county freeze on new positions, the agency has added capacity through contractual relationships.

*Shifts in Spending Patterns between Placement and Non-Placement Services*

Between 1997 and 2002, Fairfield County experienced a 113% growth in all other child welfare (non-board and care) expenditures, growing from \$1.5 million to \$3.2 million (table 7.3). This increase is markedly larger than that experienced by all demonstration counties (77%) and all comparison counties (46%). As noted above, County staff costs, which comprise the largest share of the non-board and care expenditures, more than doubled between 1996 and 2002, increasing from \$1.35 million to \$2.8 million. This level of increase reflects both casework staff and casework support staff. During the period 1997 to 2002, foster care expenditures grew by 47%.<sup>1</sup> Overall in 1997, foster care board and maintenance expenditures represented 38% of the agency's budget. By 2002, foster care board and maintenance expenditures had dropped to 30% of the agency's budget, signifying that the growth in foster care placement costs was slower than overall growth in child welfare expenditures.

---

<sup>1</sup> Foster care expenditures for 1996 were not available.

| <b>Table 7.3: Fiscal Outcomes for Fairfield County</b>               |                  |                                    |                                 |
|----------------------------------------------------------------------|------------------|------------------------------------|---------------------------------|
|                                                                      | <b>Fairfield</b> | <b>All Demonstration Counties+</b> | <b>All Comparison Counties+</b> |
| Average number of placement days purchased in 1996-1997              | 31,771           | 1,937,997                          | 1,302,775                       |
| Number of placement days purchased in 2002                           | 47,101           | 2,245,630                          | 1,407,211                       |
| Percent change*                                                      | 48 %             | 16 %                               | 8 %                             |
| Average percent paid placement days that were residential in 1996-97 | 4 %              | 11 %                               | 10 %                            |
| Percent paid placement days that were residential in 2002            | 5 %              | 11 %                               | 11 %                            |
| Change in percent                                                    | 1 %              | 0 %                                | 1 %                             |
| Average daily cost of foster care at baseline (1996-1997)            | \$26.61          | \$42.65                            | \$37.69                         |
| Average daily cost of foster care in 2002                            | \$28.83          | \$59.72                            | \$53.71                         |
| Percent change*                                                      | 8 %              | 44 %                               | 51 %                            |
| Foster care board & maintenance expenditures in 1996-97 \$(000)      | \$921            |                                    |                                 |
| Foster care board & maintenance expenditures in 2002 \$(000)         | \$1,358          |                                    |                                 |
| Percent change*                                                      | 47 %             | 39 %                               | 58 %                            |
| All other child welfare expenditures in 1996-97 \$(000)              | \$1,502          |                                    |                                 |
| All other child welfare expenditures in 2002 \$(000)                 | \$3,195          |                                    |                                 |
| Percent change*                                                      | 113 %            | 77 %                               | 46 %                            |

\*Demonstration and comparison county figures show the average of each available county's change in the measure.

+ Placement days statistics are based on data from all 28 counties; foster care expenditures are based on 12 counties; and other child welfare expenditures are based on 11 counties.

### 7.2.3 Use of Various Placement Options

Through 2002, FCCSD experienced a 48% growth in paid placement days (Table 7.3), despite an apparent shift toward use of unpaid relative placements. This growth is significantly greater than the 16% growth in placement days in all demonstration counties

and an 8% growth in all comparison counties. Indeed, Fairfield County had the third highest increase in placement days among all the evaluation counties.

In spite of this high placement day growth rate, FCCSD stands out in its low reliance on residential care. The percentage of Fairfield County’s placement days that were residential, while increasing by 1% during the Waiver, still only constitute 5% of all placement days, compared to 11% in both demonstration and comparison groups. Reluctance to place children in residential settings has been a consistent theme of FCCSD. Additionally, the County has a very strong Cluster which works closely with parents, so that if a child needs to be placed in residential treatment, very often it is the parents who place the child (so there is no PCSA custody). The pre-Waiver average number of children admitted to residential care per year was the same as the post-Waiver average—one child (Table 7-4).

Fairfield County’s focus on increasing use of early intervention and home-based services has likely directly contributed to their ability to keep children out of residential placement. They focus efforts on those at highest risk, noticing sooner any need for removal, thus preventing the development of severe problems that may require residential treatment at a later time. They feel that if they had more staff, they could do more prevention and eliminate the need for removal.

| <b>Table 7.4: Change in Types of Placement Admissions, Pre-Waiver to Waiver, for Fairfield County</b> |                                     |                                       |                                                 |
|-------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------------------|
| <i>Type of Placement</i>                                                                              | <i>Average # Admissions 1991-97</i> | <i>Average # Admissions 1998-2001</i> | <i>% Change in Average Number of Admissions</i> |
| Foster family                                                                                         | 63                                  | 42                                    | -33%                                            |
| Residential                                                                                           | 1                                   | 2                                     | 100%                                            |
| Group care                                                                                            | 0                                   | 1                                     | 100%                                            |
| Other                                                                                                 | 1                                   | 3.5                                   | 250%                                            |
| Total w/o unpaid placements                                                                           | 65                                  | 42                                    | -36%                                            |
| Unpaid, unlicensed relative and non-relative placements                                               | 8                                   | 20                                    | +168%                                           |
| <b>TOTAL all placements</b>                                                                           | <b>73</b>                           | <b>62</b>                             | <b>-14%</b>                                     |

In general, the Waiver has greatly enhanced the agency’s relationship to the Cluster. The PCSA has been willing to try flexible alternative avenues to serving a child. This willingness to try alternatives has occurred despite the fact that the Waiver has really not generated much new money to use flexibly, due to increased placement days. County

Commissioners have always been supportive of the PCSA, but internal controls on hiring and spending have lessened since the PCSA became part of a triple-combined DJFS.

While the agency has experienced a large increase in placement days, it has shifted placements away from foster family care to relative placements. This shift has occurred both among new admissions to care and among children in their first out-of-home placement. As Table 7.4 indicates, foster family placements decreased from an averaged of 63 placements to 42 placements between pre-Waiver and post-Waiver periods, a loss of 21 placements, while unpaid relative/non-relative placements grew from an average of 8 placements to 20, a gain of 12. This suggests a substitution of one for the other.

With respect to children in their first out-of-home placement, Fairfield County similarly has experienced a shift away from foster family homes between the pre-Waiver period and the Waiver period: the 38% decrease was statistically significant, and was offset by a statistically significant increase of 38% in unpaid relative and non-relative placements.

*Changes in Length of Stay in Out-of-Home Care*

Overall exits from first placement are slower in Fairfield County than would have been expected without the Waiver, with median length of stay in placement increasing by 5.8 months to 11.7 months (Table 7.5). This increase contrasts sharply with the decline found for all demonstration counties as a whole.

| <b>Table 7.5: Median Duration of First Placements in Fairfield</b> |                |                                       |                                           |                                  |
|--------------------------------------------------------------------|----------------|---------------------------------------|-------------------------------------------|----------------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>                  | <i># cases</i> | <i>Actual length of stay (months)</i> | <i>Counterfactual length of stay (mo)</i> | <i>Effect of Waiver (months)</i> |
| Any type of exit                                                   | 254            | 11.70                                 | 5.90                                      | 5.80*                            |
| Adoption                                                           | 48             | 31.02                                 | 26.30                                     | 4.72                             |
| Reunification                                                      | 131            | 6.94                                  | 3.04                                      | 3.90*                            |
| Custody to relative                                                | 46             | 15.06                                 | 7.08                                      | 7.98                             |
| Runaway                                                            | 1              | 4.00                                  | N/A                                       | N/A                              |

\* indicates statistical significance

PCSA management is not sure what changed during the Waiver period that may have caused the increase in length of stay of children in first placements. They surmise that the longer stays may arise partly from the court’s practice of accommodating attorneys by readily giving continuances. Some shelter stays may be several months or even a year in length. Also, adoption finalizations take a very long time. The juvenile court terminates custody only by hearings, not by motions. A hearing could be set for 30-90 days after the motion.

Length of stay in first placement for children exiting to return home is also significantly longer in Fairfield County than it would have been without the Waiver. Length of stay more than doubled to almost 7 months (Table 7.5). PCSA management attributes this increase to a change in practice due to changing population dynamics: since more children in care are very young, staff are being much more careful about the readiness of parents to have the child return home. While it is true that Fairfield County has shifted to serving younger children (Table 6.2 shows significantly more children age 1-4, and fewer children age 14-17, in first placements), these characteristics have been taken into consideration in the length of stay model, suggesting that similar children in comparison counties have shorter stays than the Fairfield children. The finding may be due to other factors that are not included in the model.

Agency management also acknowledges that the duration of placement figures may reflect the relative inexperience of the caseworkers--“senior” workers in many units have only two years of experience.

#### *Shifts in Foster Care Spending*

Reflecting the 48% increase in placement days over the course of the Waiver, Fairfield County has increased its foster care board and maintenance costs. Board and care costs have increased 47% in Fairfield, compared to 39% across demonstration counties, and 58% across comparison counties (Table 7.3). In spite of these sizable increases, the average daily cost of foster care has only increased by 8% in Fairfield, compared to an increase of 44% in demonstration counties and an increase of 51% in comparison counties. In Fairfield County, the average daily cost of care was \$28.83 in 2002, compared to an average daily cost of \$59.72 in the demonstration counties and \$53.71 in the comparison counties.

Fairfield County’s lower average daily cost of care reflects the fact that FCCSD uses almost no residential care, which tends to increase the average daily cost of care. This situation keeps Fairfield’s average daily cost of care considerably below other counties.

The unit cost of county staff for foster care activities increased from \$18.41 in 1997 to a high of \$36.74 in 2000, dropping to a 2002 cost of \$29.55 (Appendix II). This represents an increase of 61% between 1997 and 2002. These figures are higher than foster care staff costs and levels of increases for most demonstration counties.

The higher unit costs of foster care staff may be attributed to the simple need to make up for the lack of staff replacement, salary increases, and staffing increases, pre-Waiver, when the financial situation of the agency precluded such actions. Part of the increase can also be attributed to additional staffing to support Waiver goals. In addition to foster and adoptive home recruitment and home study staff, which were added by several demonstration counties, Fairfield added case aides and staff to supervise visitation.

#### **7.2.4 Permanency Outcomes**

While FCCSD has made efforts to focus its system on early intervention and at risk children, particularly young children, it has also addressed adoption at the other end of

the system. Partly in response to the Adoption and Safe Families Act (H.B. 484/ASFA), FCCSD spending on adoption increased over 150% between 1997 and 2002 (see Appendix II). The PCSA doubled the size of its adoption unit, enabling them to do more and better recruitment of homes. Recruitment now focuses heavily on dual licensure, leading to quicker identification of an adoptive placement once a child has adoption as the plan goal.

Fairfield has also seriously encouraged the participation of private adoption agencies, working together to find homes for children. Each year the agency holds several adoption fairs, where the PCSA staff discuss with the private agencies the children who are available for adoption and the families available to adopt. The PCSA philosophy is: no child is un-adoptable.

The shift in philosophy coupled with changes in adoption practice may have contributed to shifts in where children go when they exit their first placement. As Table 7.6 indicates, the proportion of children exiting to adoption increased eight percent over what it would have been without the Waiver. This significant shift toward adoption meant decreases in several other exit destinations but none of these changes were significant.

| <b>Table 7.6: Frequencies of Exit from Placement: Fairfield</b> |                |                 |                         |                         |
|-----------------------------------------------------------------|----------------|-----------------|-------------------------|-------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>               | <i># Cases</i> | <i>Actual %</i> | <i>Counterfactual %</i> | <i>Effect of Waiver</i> |
| Any type of exit                                                | 254            | 100.00          | 100.00                  | NA                      |
| Adoption                                                        | 48             | 18.34           | 10.76                   | 7.58*                   |
| Reunification                                                   | 131            | 50.40           | 51.72                   | -1.32                   |
| Custody to relative                                             | 46             | 17.24           | 21.10                   | -3.86                   |
| Runaway                                                         | 1              | 0.40            | 0.00                    | 0.40                    |
| Other                                                           | 28             | 13.60           | 16.36                   | -2.76                   |

\* indicates statistical significance

Adoption has become easier to achieve as the child welfare population has become younger—currently two-thirds of all children being served are young (under 12), and half are under 5 years of age. The director says the agency has deliberately made the shift to younger children, in keeping with the mission of child safety – the youngest are the most vulnerable. The philosophical preference being expressed means that FCCSD is more likely to use adoption in families with chronic generational problems; FCCSD is reportedly intervening sooner in families who have been known to the system for a long time, where the parents were themselves in foster care, so the history is well established and risks can be more clearly identified. Management also notes that they have increased

cooperation from pediatricians, as the visibility and positive image of the agency has increased. In addition, they say they have improved their relationship with the court, so that they get fewer referrals directly from the bench (12 to 15 per year). (In return, the PCSA often will do 30-day assessment of court children to help them find an alternative to placement).

With the new adoption staff, FCCSD has been able to clean up the backlog of children who were freed but not in adoptive homes; they also have been more active in freeing children for adoption, with ongoing workers presenting more petitions for adoption. The added staff have helped provide more thorough child studies, as well as more support for foster-adoptive parents. These activities appear to have resulted in a steady number of children in permanent custody – between 1997 and 2000, Fairfield saw no change in the number of children in permanent commitment (Table 7.2).

The addition of new adoption staff resulted from a commitment to permanency, but also in response to an agency-wide workload study that showed adoption was understaffed. Since the PCSA has no levy (it was defeated in 1995), the funds for the expansion were from flexible Title IV-E funds, which were minimal due to increased placement days, and from County revenues. Table 7.2 shows a surprising 45% decrease in the number of new children available for adoption subsidy between 1997 and 2000, but this figure is misleading because it does not cover 2001 and 2002, when many of the adoption improvements were in place. In addition, it is important to note that the small numbers of children involved may make this percentage change misleading (11 children in 1997).

Between 1997 and 2000, FCCSD also successfully decreased the number of children in Planned Permanent Living Arrangement (PPLA), a 67% decline compared to a 4% increase among all demonstration sites and a 28% increase in all comparison sites. This level of improvement may reflect the natural aging-out of the existing PPLA population, coupled with the agency's overall shift away from serving older youth and toward younger children.

#### *Re-entry rate and Median duration of first reunification*

Fairfield County, like all the other demonstration counties, does not show a significant change in either re-entry rate or length of reunification prior to re-entry, compared to what would have occurred without the Waiver. This suggests that Fairfield County children are no worse off under the Waiver than they would have been otherwise; this is an important point, since policy makers have been concerned that child safety could suffer if counties had greater flexibility to return children from foster care.

#### **7.2.5 Conclusion**

During the course of the Waiver, Fairfield County's most significant achievements have been to increase relative placements, increase adoptions, maintain minimal reliance on residential care, and decrease use of PPLA. In spite of increases in placement days and in total placement costs, the average daily cost of care increased only 8% between 1996-97 and 2002, a much lower increase than demonstration or comparison counties as a group.

The shift toward relative placements has allowed the agency to significantly decrease use of foster family homes, and the apparent shift toward a younger service population has reduced the number of special needs children awaiting adoption, thus reducing the ongoing and often long-term cost of new adoption subsidies.

Despite a sharp growth in placement costs, FCCSD still managed to more than double its spending on non-placement activities, especially staff and preventive services. However, continuing attention to the children currently in foster care appears to be a priority, and such action may begin to show some effects on length of stay and, ultimately, on placement expenditures.

### **7.3 LORAIN COUNTY PCSA: CASE STUDY**

Lorain County, Ohio, adjoins metropolitan Cleveland on the west side. The population of 287,000 people<sup>2</sup> lives in small cities, towns and in extensive rural areas. Compared to other counties in Ohio, Lorain is of moderate size and somewhat more subject to the problems of unemployment and juvenile crime; however, the poverty rate is somewhat lower than in the state overall. The Lorain County Children Services (LCCS) provided assistance to 1,053 children in ongoing cases at the end of federal fiscal year 2001. This figure represents 1.4% of all children under the age of 18 in the county. Lorain had slightly fewer than average children in ongoing cases than other demonstration counties, 1.4% compared to an average of 2.0%. (See Appendix V-8 for specific demographics and social indicators).

LCCS entered ProtectOhio with high expectations for positive change in child and family outcomes. From the start, LCCS leadership has seen the Waiver as a vehicle for fundamental change, rather than as a special “project” for a limited period of time. The primary impetus for Waiver participation was a desire to assure a steady flow of Title IV-E funds which could be used flexibly to enhance efforts already underway to return children home and support them to remain in permanent home settings. The flexibility of the IV-E funds allowed LCCS to shift focus to the front end of the service system, without losing federal revenues through reduced placement days. It also afforded the agency greater choice in how to use funds previously committed to IV-E match. Once such a shift occurred, LCCS leadership believed, the agency would be able to maintain its new orientation with or without the Waiver.

The primary locus of LCCS Waiver activity has been a systematic organizational development effort, which included, among other things, enhanced staffing and comprehensive quality assurance. These practices enabled them to expand home-based services and supports, increase reliance on relatives, and foster greater interagency collaborative activity. All of this appears to have impacted outcomes for children, especially reduced use of out-of-home placements, and, for those who do go to placement, some reductions in length of stay in care and some shifts in where children go upon leaving care.

---

<sup>2</sup> From the 2000 Census

The following case study describes basic operational changes made in LCCS, shifts in initial interventions for children and families (pre-placement), changes in placement patterns, and shifts in permanency outcomes.

### **7.3.1 Fundamental Changes in LCCS Operations**

In 1996, LCCS embarked on a strategic planning process, with extensive involvement of representatives from other agencies and community groups, as well as from all levels of staff within LCCS. One of the goals identified was to become an accredited member of the Council on Accreditation for Services to Children and Families (COA). In 1998, LCCS began the process of obtaining COA accreditation. The impetus of this process led LCCS to intensify its focus on generating data on service utilization, quality and costs, and on using this information in management team meetings to collaboratively make management decisions. A Quality Assurance unit was formed and expanded. All of this established a strong foundation for subsequent reform activities.

Much of the new activity related to the Strategic Plan and organizational improvement corresponds to areas of managed care activity, which the evaluation team has monitored throughout the study. By the fifth year of the Waiver, LCCS had one of the two highest scores on the use of managed care overall; it scored higher than the average in both groups of counties on six of the eight managed care components, suggesting a broad-based commitment to rational management approaches.

Lorain County has made particularly strong efforts in the areas of service array, competition, utilization review, and quality assurance.

- LCCS has engaged in systematic expansion of the types of services available both in-house and through contract; perhaps most notable is creation of the Ancillary Services Unit, which includes staff who provide Independent Living supports as well as staff who do mental health and substance abuse assessments and referrals.
- The high score on competition reflects LCCS' consistent efforts to increase foster and adoptive homes, through increases in per diem rates and targeted recruitment activities.
- Throughout the Waiver, LCCS has had a formal placement review process, initially the Resource Review Committee and now the Custody Review Team (CRT). CRT meets to discuss all cases prior to a request for custody, or within 3 days for an emergency placement. LCCS management reports that it has greatly helped staff to apply the values of concurrent planning and least restrictive placements. In addition, when the agency saw placement days increasing between 2000 and 2001, management intensified efforts to find relatives to take custody, while also increasing permanency activities.
- Shortly prior to the start of the Waiver, LCCS hired a Quality Assurance manager; since then, the unit has steadily grown in scope and importance. Various QA committees address compliance, service plan quality, worker safety, and other

concerns, and each month the LCCS management team discusses QA findings and recommendations.

| <b>Table 7.7: Managed Care Components in Lorain County</b> |               |                              |                           |
|------------------------------------------------------------|---------------|------------------------------|---------------------------|
|                                                            | <b>Lorain</b> | <b>Average Demonstration</b> | <b>Average Comparison</b> |
| Managed care index+                                        | 59.3          | 43.6                         | 36.1                      |
| Service array                                              | 11.5          | 6.8                          | 5.8                       |
| Targeting                                                  | 3.0           | 2.0                          | 1.5                       |
| Case management                                            | 6.0           | 5.4                          | 5.1                       |
| Competition                                                | 13.0          | 7.1                          | 4.9                       |
| Financing                                                  | 3.0           | 4.9                          | 2.3                       |
| Utilization review                                         | 10.0          | 6.4                          | 5.6                       |
| Quality assurance                                          | 12.0          | 8.8                          | 7.4                       |
| Data Management                                            | 2.0           | 2.9                          | 2.2                       |

+ Index score is a weighted sum of the components.

### **7.3.2 Expanded Home-based Prevention Activities**

During the first four years of the Waiver, LCCS experienced a strong shift toward serving more families in home rather than in placement, an increase of 3% between 1997 and 2001. This shift is slightly greater than that in other demonstration sites (+2%) and contrasts with the decrease in comparison sites (-3%). Although this figure is not a perfect reflection of differences in how families and children are served in the counties – those in the “placement” category may have spent only very short periods in out-of-home care that year, and the figures do not control for case mix – it nonetheless indicates an important shift in LCCS’ focus on preventive services.

#### *Staffing Changes*

One important factor in LCCS’ ability to offer more supports to families and children in the home, avoiding placement, is the enhanced staffing levels. Flexible IV-E funds have enabled the agency to (a) hire new staff, such as the behavioral services division; (b) promote increased professionalism and skill levels -- all existing staff have had the opportunity to attend graduate school to obtain a masters degree, with LCCS paying tuition, and all new staff were required to have the degree or to begin studies at hire; and (c) increase cultural diversity and competence among staff. By 2001, nearly all staff had an MSW or were in the process of earning it. Lorain’s aggregate expenditures reflect this focus on training -- training expenditures increased 100% from 1998 to 2001 (see Appendix II).

The increased focus on cultural diversity and cultural competency includes targeted recruitment of staff whose first language is Spanish and frequent scheduled events for staff to expose them to different cultures in Lorain County. These may be formal training events or simply cultural events in neighborhoods. These efforts, combined with increased staffing levels and lower caseloads, have allowed more intensive interaction with families.

### **7.3.3 Fiscal Shift to Non-Placement Services**

During the Waiver period, LCCS experienced a faster growth (+19%) in all other child welfare services (excluding foster care board and maintenance) compared to comparison sites and most demonstration sites (see Table 7.8). The growth occurred primarily in spending on county staff and programs, including both new staff and new agency preventive service offerings. Lorain's expenditures on county staff and associated costs increased substantially since the beginning of the Waiver, increasing from about \$5.3 million in 1998 to \$8.5 million in 2002. This was the third highest increase among demonstration and comparison counties. The per diem cost of foster care case management by the county increased substantially during the Waiver period, from about \$26.00 to \$39.00 a day per child, likely reflecting both reduced caseloads and increased salaries due to higher education levels of staff. This was the fourth highest increase among demonstration and comparison counties (See Appendix II for detailed data).

| <b>Table 7.8: Fiscal Outcomes for Lorain County</b>                                                                                     |               |                                    |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------|---------------------------------|
|                                                                                                                                         | <b>Lorain</b> | <b>All Demonstration Counties+</b> | <b>All Comparison Counties+</b> |
| Average number of placement days purchased in 1996-1997                                                                                 | 96,101        | 1,937,997                          | 1,302,775                       |
| Number of placement days purchased in 2002                                                                                              | 70,962        | 2,245,630                          | 1,407,211                       |
| Percent change*                                                                                                                         | -26 %         | 16 %                               | 8 %                             |
| Average percent paid placement days that were residential in 1996-97                                                                    | 8 %           | 11 %                               | 10 %                            |
| Percent paid placement days that were residential in 2002                                                                               | 7 %           | 11 %                               | 11 %                            |
| Change in percent                                                                                                                       | -1 %          | 0 %                                | 1 %                             |
| Average daily cost of foster care in 1998**                                                                                             | \$39.72       | \$42.65                            | \$37.69                         |
| Average daily cost of foster care in 2002                                                                                               | \$53.13       | \$59.72                            | \$53.71                         |
| Percent change*                                                                                                                         | 33 %          | 44 %                               | 51 %                            |
| Foster care board & maintenance expenditures in 1998 \$(000)**                                                                          | \$3,193       |                                    |                                 |
| Foster care board & maintenance expenditures in 2002 \$(000)                                                                            | \$3,770       |                                    |                                 |
| Percent change*                                                                                                                         | 18 %          | 39 %                               | 58 %                            |
| All other child welfare expenditures in 1998 \$(000)**                                                                                  | \$6,051       |                                    |                                 |
| All other child welfare expenditures in 2002 \$(000)                                                                                    | \$9,837       |                                    |                                 |
| Percent change*                                                                                                                         | 63 %          | 77 %                               | 46 %                            |
| Total increase in all other child welfare expenditures over inflation-adjusted baseline, as percent of total child welfare expenditures | 19 %          | 16 %                               | 8 %                             |

\*Demonstration and comparison county figures show the average of each available county's change in the measure.

+ Placement days statistics are based on data from all 28 counties; foster care expenditures are based on 12 counties; and other child welfare expenditures are based on 11 counties.

\*\* Because Lorain figures for 1996-97 are not available, this table shows calculation based on 1998-2002, not 1996-2002 as in the other case studies.

LCCS' commitment to non-placement activity is further revealed in analysis of the agency's total non-board and maintenance child welfare expenditures. Due to reductions in placement days relative to the cost-neutrality control counties, Lorain had \$3,461,000 available for flexible spending from its IV-E Waiver allocation; this amount represents 6% of its total child welfare expenditures. However, the amount of growth in all other child welfare expenditures (non-board and care costs) was twice that amount, indicating that the agency captured substantial funds from other revenue sources to fund its expansion of non-placement activities (see Table 7.8).

#### **7.3.4 Changes in Amount and Type of Cases Being Opened**

LCCS witnessed a decrease in child abuse incidents (-35%) between 1997 and 2001. The year-to-year changes are quite variable, suggesting caution in inferring any trend. Nonetheless, the decrease may have been influenced by the agency's systematic efforts to educate community reporters about what constitutes an appropriate referral. In addition, LCCS has given increased attention to managing the front door of child welfare, with more careful screening and more complete use of family risk assessment to get a comprehensive look at families and thus make different decisions about which cases to open. This shift may have contributed to more consistent classification of reports as "incidents, and it has also likely contributed to the increase in the proportion of ongoing cases that are classified as abuse/neglect cases. Between 1997 and 2000, LCCS' cases increased from 73% abuse/neglect to 76%, in contrast to decreases of 5% in both demonstration and comparison groups for the same time period (Table 7.9). The increase in child abuse and neglect cases reflects not only the revised screening methods and added screening staff in LCCS, but also the fact that the agency is now opening cases where domestic violence is the issue, because of LCCS' collaboration with the local domestic violence shelter and the recognition of the potential danger which domestic violence poses to the children in the home.

Consistent with decreases in the reports of child abuse and neglect, LCCS took fewer children into custody in 2000 than in 1997 (-9%), perhaps because the agency is referring to a wider array of community services and is getting quicker access to substance abuse and mental health services during the intake phase. The reduction in new custody cases also may reflect the growth in kinship placements outside of LCCS custody (see discussion below).

The increasing severity of the cases being opened translated to more need for mental health and substance abuse assessment and treatment options. In response to waiting lists and inappropriate service modalities in existing substance abuse and mental health treatment programs, in 2000 LCCS created a new division of Behavioral Services, including in-house assessment units for substance abuse and mental health issues. These units also serve as the centralized point for referrals to treatment providers, allowing LCCS to only use those providers that meet its standards of quality and access. This process is beginning to create competition among community providers and to lead to more prompt services and better quality reports on child progress.

| <b>Table 7.9: Participant Outcomes for Lorain County (FFY)</b>         |               |                                          |                                       |
|------------------------------------------------------------------------|---------------|------------------------------------------|---------------------------------------|
|                                                                        | <b>Lorain</b> | <b>All Demonstration Counties (n=14)</b> | <b>All Comparison Counties (n=14)</b> |
| Child abuse incidents: 1997                                            | 943           | 28,503                                   | 21,620                                |
| Percent change '97-'01                                                 | -35 %         | -17 %                                    | -42 %                                 |
| Percent cases that are abuse/ neglect (versus non-abuse/neglect): 1997 | +73 %         | +80 %                                    | +75 %                                 |
| Change in percent '97-'00                                              | +3            | -5                                       | -5                                    |
| Percent children served in-home (versus in placement): 1997            | 75 %          | 75 %                                     | 78 %                                  |
| Change in percent '97-'01                                              | +3            | +2                                       | -3                                    |
| Children in custody at year end:1997                                   | 253           | 6,387                                    | 4,102                                 |
| Percent change '97-'00                                                 | -10%          | +10%                                     | +13%                                  |
| New children available for adoption subsidy: 1997                      | 31            | 565                                      | 296                                   |
| Percent change '97-'00                                                 | +55%          | +40%                                     | +32%                                  |
| Children in permanent commitment at year end: 1997                     | 58            | 1227                                     | 853                                   |
| Percent change '97-'00                                                 | +7 %          | +35 %                                    | +28 %                                 |
| Children in PPLA at year end: 1997                                     | 72            | 1013                                     | 535                                   |
| Percent change '97-'00                                                 | -76 %         | +4 %                                     | +28 %                                 |

### **7.3.5 Reductions in Placement Use**

In light of the expansion of home-based service interventions, it is no surprise that Lorain County has substantially reduced its use of out-of-home placement. As discussed above, since 1996, the percentage of cases served in home has increased from 75% of the ongoing caseload to 78% in 2001. This shift occurred in the face of an increase in the total number of ongoing cases, indicating a disproportionate reliance on in-home intervention for these cases.

Beginning in 1995, prior to the Waiver, but increasingly during the early years of the Waiver, LCCS gave special attention to reducing inappropriate and expensive residential placements. Prior to the Waiver, LCCS closed its Children's Home and its Group Home. It then created a funding pool for a small group of the most expensive children in care

and urged providers to work toward sending the children home. As a result, the percent of paid placement days attributable to residential care steadily decreased beginning in 1995. This successful effort reduced LCCS residential costs and laid the foundation for the 1998 collaboratively-funded managed care contract with Pressley Ridge to serve multi-system children.<sup>3</sup>

LCCS has decreased paid placement days by 26% since the Waiver began, in contrast to a 16% growth in the demonstration groups and 8% growth in the comparison sites. Lorain's placement day utilization did rise suddenly between 2000 and 2001, by 11%, in part due to increases in admissions to care starting in 2000, but reversed itself again between 2001 and 2002 with a reduction of 14%.

Reductions in paid placement days can come about through reduced admissions to placement and through shortening length of stay in care. Analysis of Lorain's admissions data offers some insight into the dynamics of this decline but cannot entirely explain it. In terms of new admissions to placement, comparing the pre-Waiver period (1991-1997) to the Waiver period (1998-2001), LCCS had a modest overall increase in admissions (+3%), with most of that increase occurring in foster family care placements, while residential admissions decreased (Table 7.10). Future examination of 2002 data (when placement days decreased dramatically) may reveal an overall decline in admissions during the Waiver.

| <b>Table 7.10: Change in Types of Paid Placement Admissions, Pre-Waiver to Waiver, for Lorain County</b> |                                        |                                          |                                                 |
|----------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------|-------------------------------------------------|
| <i>Type of Placement</i>                                                                                 | <i>Average # of Admissions 1991-97</i> | <i>Average # of Admissions 1998-2001</i> | <i>% Change in average number of admissions</i> |
| Foster family                                                                                            | 96                                     | 119                                      | +24 %                                           |
| Residential                                                                                              | 31                                     | 16                                       | -49 %                                           |
| Group care                                                                                               | 29                                     | 32                                       | +9 %                                            |
| Other                                                                                                    | 2                                      | 3                                        | +60 %                                           |
| TOTAL                                                                                                    | 191                                    | 197                                      | +3%                                             |

In terms of changes in length of stay in care, Lorain's overall median length of stay for children in first placements was not significantly different than it would have been without the Waiver (Table 7.11), indicating that thus far the analysis can detect no evidence that Lorain has been able to use the Waiver to systematically shorten length of stay in care. Two factors may help to explain this somewhat contradictory finding: first,

<sup>3</sup>. The original Pressley Ridge contract called for expanded wraparound services; Pressley Ridge was unable to deliver, so the contract was subsequently terminated and ISP took over responsibility. A wide array of other contract providers – Catholic Charities, Lorain Guidance Center, Belfair – provide wraparound in whatever form and intensity that is deemed appropriate.

the length of stay analysis considers all placements, not just paid placements as are used in the count of placement days; thus, the large number of first placements with relatives and with non-licensed non-relative caregivers [which together accounted for 26% of first placements during the Waiver period (Table IV-3 in the Appendix)] may influence the length of stay effect. Second, the length of stay calculation compares placements in the pre-Waiver period to placements in the Waiver period up through February 2002, not through December 2002 as in the placement day count; future refinements to the model may reveal significant effects.

In response to the lack of significant effect on length of stay, LCCS management argues that their use of front-loaded intensive services mean that fewer children enter foster care in the first place (consistent with the reduction in placement days), and those entering care have more complex needs, likely needing longer stays in care (perhaps reflected in the increase in children entering services who had experienced abuse or neglect). That Lorain has a “tougher” group in care than other demonstration sites appears to be consistent with the finding that Lorain’s counterfactual median duration for any exit is longer than the comparable figure for all demonstration sites (7.26 months versus 4.9 months – see Appendix IV); this contrast suggests that, without the Waiver, Lorain children would still have been in care longer than children in the other demonstration sites, due to differences in the characteristics of the populations.<sup>4</sup>

**Table 7.11: Median Duration of First Placements in Lorain**

| <i>Type of Exit from 1<sup>st</sup> placement</i> | <i># cases</i> | <i>Actual length of stay (months)</i> | <i>Counterfactual length of stay (mo)</i> | <i>Effect of Waiver (months)</i> |
|---------------------------------------------------|----------------|---------------------------------------|-------------------------------------------|----------------------------------|
| Any type of exit                                  | 785            | 7.10                                  | 7.26                                      | -0.16                            |
| Adoption                                          | 109            | 27.04                                 | 31.02                                     | -3.98                            |
| Reunification                                     | 355            | 3.24                                  | 3.12                                      | 0.12                             |
| Custody to relative                               | 212            | 7.66                                  | 8.86                                      | -1.20                            |
| Runaway                                           | 3              | 14.78                                 | 14.68                                     | 0.10                             |

\* indicates statistical significance

Perhaps most instrumental in helping to reduce placement days have been the following activities:

- LCCS has made a deliberate effort to increase kinship placements, where the relative takes custody or takes the child with the parent retaining custody, depending on the needs of the case. They hired a new staff person specifically to do home studies of relatives, including a background check; and caseworkers systematically work to identify relatives as soon as they open the case. LCCS

<sup>4</sup> Note that the study does not have variables to test specifically whether LCCS’ assertion is true. However, the evidence appears to be strong: tables 6.3 and 6.4 above show that, compared to pre-Waiver placements, Lorain has fewer children in placement who are teens, have been sexually abused, and who have cognitive disabilities.

does not license the relative's home, nor does it pay a per diem, because it is not a formal foster care placement. However, the agency does provide support for all kinds of one-time purchases – clothing, furniture, whatever is needed, and refers the relative caretaker to Ohio Works First (OWF) for cash assistance. LCCS might also pay for respite, or mentoring services while the case is in intake. In addition, the Kinship Navigator program is a valuable resource to kinship providers.

Increased reliance on relatives is evident in admissions data that shows nearly a four-fold increase in relative placements between 1997 and 2001, from 15 cases to 73 cases. The increased availability of kinship homes likely also affected where children go when exiting placement (for those children where LCCS takes custody initially). Year 5 analysis (Table 7.12) indicates that more children (10% more) exit their first placement to live with a relative, than would have done so without the Waiver. Over a quarter of all children exiting first placement go to the custody of relatives in Lorain County (26%), compared to only 16% that would have done so in the absence of the Waiver.

- Lorain County has witnessed the increasing effectiveness of the Integrated Service Partnership, or ISP, and operates with pooled funding for children involved with multiple systems. Because of its flexible IV-E funds, LCCS has been able to increase its contribution, which has reportedly contributed to improved relationships with mental health and juvenile court around shared cases, often leading to solutions other than removal.
- The reduction in placement days may also be seen as influenced by the work of the ISP. Whenever a child goes into residential placement, the ISP and its case manager counterpart, called 4C's, assure that some agency is actively working with the family to get the child back into the community and into a permanent home setting as soon as possible. A wide array of other contract providers offers wraparound support in whatever form and intensity that is needed. The flexibility of the Waiver funds enables LCCS to support individualized wraparound, in response to an assessment by 4C's.

Table 6.5 offers some confirmation of this impact, showing that Lorain's first placements are more often in foster family homes and less often in residential centers, than was the case prior to the Waiver.

- In many counties, the local juvenile court refers to the PCSA youth who are exiting detention and have no home to return to. These youth often end up in residential placements. In Lorain County, the Juvenile Court has long offered an array of diversion programs to reduce the need for placement. In addition, in the past few years, the court has toughened its stand toward parents who try to abandon their teens in detention; the court holds the parents responsible for the teen, and offers supports to help them care appropriately for the youth at home.

Table 6.3 above offers possible support for this assertion, indicating that Lorain’s first placements during the Waiver were less likely to be 14-17 year-olds, than was the case prior to the Waiver.

| <b>Table 7.12: Frequencies of Exit from First Placement: Lorain</b> |                |                 |                         |                         |
|---------------------------------------------------------------------|----------------|-----------------|-------------------------|-------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>                   | <i># Cases</i> | <i>Actual %</i> | <i>Counterfactual %</i> | <i>Effect of Waiver</i> |
| Any type of exit                                                    | 785            | 100             | 100                     | NA                      |
| Adoption                                                            | 109            | 13.72           | 14.28                   | -0.56                   |
| Reunification                                                       | 355            | 46.12           | 49.80                   | -3.68                   |
| Custody to relative                                                 | 212            | 26.14           | 15.70                   | 10.44*                  |
| Runaway                                                             | 3              | 0.44            | 0.38                    | 0.06                    |
| Other                                                               | 106            | 13.56           | 19.84                   | -6.28*                  |

\* indicates statistical significance

The increase in children exiting to custody of relatives appears to have occurred at the “expense” of children going to “other” exits (a significant decline of 6%), largely comprised of children being emancipated, institutionalized, and going to third-party guardianships.<sup>5</sup> The proportion of children exiting to return home appears to have decreased somewhat, although the evidence is not strong. In response to the decline in children reunified, LCCS argues that, since they have been able to provide more intensive in-home services and generally work harder to keep families together, the children who are placed are those who have the least likelihood of reunifying. They believe that if there is a reasonable expectation of reunification, then there should also be a reasonable expectation of never needing to remove the child in the first place, if appropriate supports are offered in the home. They have a very strong placement review process to assure that they only remove children when they absolutely have to. They believe that, in the majority of cases they see, they can find someone with an interest in caring for the child, to avoid the need for placement. If the agency provides sufficient support to the relatives, most often the child can avoid placement all together.

### **7.3.6 Shifts in Foster Care Spending**

Reductions in placement day utilization might be expected to translate into budget reductions. However, in Lorain County, the increase in the average daily cost of foster care—up from \$40 to \$53 between 1998 and 2002, a growth rate of 33% (Table 7.8)--more than compensates for reduced counts of days. LCCS has increased the family foster

<sup>5</sup> Of Lorain’s cases that exited to “other” destinations, 21% were institutionalized, 25% were third party guardianships, 2% died in care, 24% were emancipated, and 29% had unclassified exits, including “judicial determination” (18%).

care per diem each year of the Waiver, to keep pace with rates in neighboring counties; this has enabled LCCS to recruit and retain more foster parents, thus lessening reliance on network homes. The net result has been a 23% growth in Lorain's foster care budget, comparable to that experienced in the other demonstration counties and in the comparison group (26%).

Even though LCCS has not contained its overall foster care budget, it is important to note the efforts made to improve family foster care, the most common type of placement used:

- Adopting the philosophy of one child-one home in foster care, and emphasizing foster-to-adopt homes and placing the child close to the biological family;
- Offering supportive services for foster parents through Family Care: Reflective of improved interagency collaboration has been the interagency-funded Family Care program, which for several years supported foster parents in dealing with difficult children. It included a comprehensive assessment of the child at entry into foster care and 24-hour support to foster homes. Due to funding difficulties, the program was recently absorbed into LCCS.
- Making a strong commitment to preventive, home-based services early in the case (discussed above).

### **7.3.7 Permanency Outcomes**

In reducing its use of out-of-home care, LCCS has not only sought to reduce the number of children entering care but has also focused on bringing children back from care to some type of permanent living arrangement. Among the most notable change in permanency outcomes is the increased use of adoption.

- Between 1997 and 2000, LCCS experienced significantly greater than average growth in the number of children eligible for adoption subsidy--55%, compared to 40% for all demonstration sites and 32% for all comparison sites (Table 7.9). This likely reflects the agency's concerted efforts find more adoptive homes, especially for older children. Having flexible IV-E funds enables LCCS to offer adoption subsidies at times and at levels that would not be otherwise possible. This trend is reinforced by Year 4 length of stay findings that show Lorain County children who are adopted spend less time in their first out-of-home care stay than do adopted children in other selected demonstration sites and the comparison sites.
- In Year 5, the expected replication of this Year 4 finding in the Counterfactual analysis (Table 7.11) did not materialize, but it nonetheless suggests the same pattern of Lorain having shorter placement duration for children exiting to adoption than it would have had without the Waiver.<sup>6</sup>

---

<sup>6</sup> LCCS expressed the view that adoption duration is still longer than it should be. The Probate judge insists on keeping a child in adoptive status for 6 months before the court will finalize the adoption. LCCS argues that since the child has typically been in the placement for a long time (all their foster homes are foster-to-adopt and they never place more than one child/sibling group in any foster home), the child is ready for finalization much sooner than the court does it.

- Further reinforcing the data showing success in adoptions, LCCS experienced smaller than average growth in the number of children in permanent commitment, 7% compared to 35% for all demonstration sites and 28% for all comparison sites. Children in permanent commitment typically are awaiting adoption, so increasing adoptions logically reduces the size of the group waiting for an adoptive home.

Looking beyond adoption, LCCS differs notably from other demonstration and comparison sites in another measure of permanency, permanent planned living arrangements (PPLA).

- The decline in PPLA in Lorain is sharp (-76%), contrasting with growth in all demonstration and comparison sites. Since early in the Waiver period, LCCS has made a deliberate effort to reduce PPLA, turning to relatives and sometimes to foster parents to take custody of the child. Currently a worker is specifically assigned to find permanency for PPLA youth.
- Perhaps reflecting the success of the PPLA efforts, Table 7.12 indicates that the number of children leaving their first placement and going to “other” destinations declined. These other exits were largely emancipation (24%), institutionalization, and third-party guardianships. The relatively large number of emancipations may reflect LCCS’ offering expanded independent living services.

#### *Re-entry to Placement after Reunification*

One of the major concerns of federal and state policy makers has been whether the incentive created by the Waiver to return children home from placement would lead to overly zealous reunifications, which would then fail and the child would return to care. In terms of child safety, it is essential that the new “Waiver behavior” not make children worse off in terms of having to return to placement after being returned to their family of origin. In Year 5 analysis, the study team examined whether the rate of re-entry to placement, and the median length of stay at home prior to re-entry, were any different in the demonstration counties than they would have been without the Waiver. None of the findings were statistically significant, for any of the demonstration counties or overall (see Chapter 6 and Appendix IV). Lorain’s rate of re-entry from reunification, although not significant, nonetheless appears to be lower than it would have been without the Waiver, suggesting that more of the reunifications were maintained. The possibly greater success in reunification may be due to the agency’s intensive efforts to support children in home. Specifically, LCCS has contracted with Catholic Charities to do follow-up after case closure, checking in with families for up to about 6 months, although there is no firm guideline on the length of contact. If the agency and the family want to continue, that is fine; and a family can come back to the support agency later on, for intermittent assistance.

### **7.3.8 Conclusion**

Overall, the flexibility of the Title IV-E Waiver seems to have reinforced the reform agenda of Lorain County Children Services. During the course of the Waiver, LCCS has

made major changes in its daily operations and decision-making processes, strongly embracing the use of managed care strategies. These actions led to key changes in who is placed and who receives in-home services, which translated into reductions in total paid placement days and increased spending on non-placement activities; both of these results contrasted sharply with the average experience of the demonstration and comparison groups. Although the study team found little solid evidence of measurable changes in outcomes for children in their first placement, the pronounced increase in giving permanent custody to relatives stands out as a probable result of LCCS Waiver participation and their related internal policy shifts.

## **7.4 MUSKINGUM COUNTY PCSA: CASE STUDY**

Muskingum County is located in the east central part of the State. The population of the County is about 84,900, with just under a third of that living in the County's largest town, Zanesville. The County population has remained relatively constant since 1995. The unemployment rate in January 2003 was higher than the State average, 7.8% versus 6.0% State average. Concomitantly, Muskingum County's poverty rate is higher: 12.9% in Muskingum versus 11.0% State average in 2000. While teen birth rates and out of wedlock birth rates are higher than the State average, juvenile crime is less than half of the State average. Muskingum County Children Services (MCCS) provided assistance to 496 children in ongoing cases at the end of federal fiscal year 2001. This figure represents 2.3% of all children under the age of 18 in Muskingum County. The county has slightly more children in ongoing cases than the average for demonstration counties, which stands at 2.0%. (see Appendix V-8).

Muskingum County Children Services (MCCS) viewed the Title IV-E Waiver as a centerpiece of its reform efforts. The Waiver was intended to provide MCCS with the flexibility it needed to creatively improve permanency by reconfiguring the way that services were provided, through decreasing use of placements, especially expensive placement settings out of county, and through shortening length of stay in out-of-home care.

Since the implementation of the Waiver, MCCS has focused on (1) preventing inappropriate cases from coming through the front door, (2) enhancing internal services to serve PCSA families more effectively, and (3) increasing the availability of less expensive and more permanent placement options. Collaborative efforts with other child-serving agencies in the community have also enhanced these MCCS efforts.

The following case study describes basic operational changes made in MCCS, shifts in initial interventions for children and families (preventing placement), changes in placement patterns, and shifts in permanency outcomes.

### **7.4.1 Fundamental Changes in MCCS Operations**

When the Waiver option was first introduced to Ohio counties, Muskingum County had a relatively new director, who came to the agency during a time when the agency was in

financial crisis. The new director saw the Waiver as a means to be creative with federal funds, and felt that the agency could use the Waiver's flexibility to address the "back end" of the system, which was perceived to be the "bottleneck" in achieving permanency. The director's vision included increased collaboration with other community agencies, enhanced staffing to focus and improve services to abuse and neglect cases, and reduced reliance on contractors, particularly for foster care. When the Waiver began, MCCA had already made significant efforts toward reducing the caseload through improved screening.

The very strong MCCA leadership has focused emphatically on moving children to permanency and has been able to motivate staff to embrace new practices. Leadership is also credited with fostering an increase in community partnering and collaboration to develop needed services and resources. Muskingum is categorized as strong in its collaborative relationship with other child-serving entities. While relationships with the juvenile court and with mental health have some tensions, these relationships have improved since the beginning of the Waiver, and interagency mechanisms such as Families and Children First function particularly well in this community. The director's strong leadership in collaborating with other community agencies was supported by his ability to use Title IV-E funds for "front-end," preventive services in the community.

On the managed care index developed for the Process Implementation Study, MCCA has made moderate use of managed care strategies in its internal reform activities (see Table 7.13). It falls in the mid-range of demonstration counties in terms of its use of managed care strategies. It has given less systematic attention to case management and utilization review than have other demonstration counties, but has made progress in other managed care arenas. Being a small, rural county, its attention to the package of managed care strategies, rather than use of individual strategies, has been less important. The three strategies on which it has focused its attention have been the development of the service array, quality assurance, and information systems.

MCCA scored a 7.5 on the service array, compared to the demonstration county average of 5.8 and the comparison county average of 6.8. MCCA's development of new, non-placement services has been one of the strongest among all the counties, particularly among counties of comparable size. The services developed have been services to prevent entry to the child welfare system and services to prevent placement or reduce the duration of placement.

| <b>Table 7.13: Managed Care Components in Muskingum County</b> |                  |                              |                           |
|----------------------------------------------------------------|------------------|------------------------------|---------------------------|
|                                                                | <b>Muskingum</b> | <b>Average Demonstration</b> | <b>Average Comparison</b> |
| Managed care index+                                            | 41.25            | 43.6                         | 36.1                      |
| Service array                                                  | 7.5              | 5.8                          | 6.8                       |
| Targeting                                                      | 2.0              | 2.0                          | 1.5                       |
| Case management                                                | 4.0              | 5.4                          | 5.1                       |
| Competition                                                    | 5.0              | 7.1                          | 4.9                       |
| Financing                                                      | 5.0              | 4.9                          | 2.3                       |
| Utilization review                                             | 3.0              | 6.4                          | 5.6                       |
| Quality assurance                                              | 10.5             | 8.8                          | 7.4                       |
| Data Management                                                | 5.0              | 2.9                          | 2.2                       |

+ Index score is a weighted sum of the components.

MCCS is among the top five counties in the area of quality assurance. The high score is attributable to the use of information to manage outcomes. Unique among county child welfare agencies in the 28-county study group, direct service staff are provided with information about placement costs and trends, through reports prepared for MCCS management. These data are reviewed with staff regularly to demonstrate the savings that could be achieved by returning children to families. The agency undertook a study of children entering custody in 2000 to determine where they came from, what happened to them in care, and what the final permanency outcome was for these children. They have used these data to better understand their caseload. For example, they learned that 40-49% of intakes were from a single 29-block area in the southwestern corner of Zanesville. They have since targeted services to that area, particularly foster home development efforts.

The agency is also developing a set of outcomes to track regularly, starting with the federal outcome measures. Agency leadership believes that to the extent management talks about data, staff will pay attention to them. Quality improvement reports are distributed to staff and discussed at staff meetings every three weeks. Agency leadership uses their data to work with other community agencies as well. For example, agency leadership was able to demonstrate to the court that the average age of children served through the child welfare system had increased, due to risk of unruly/ delinquent behaviors. These data were used to develop a truancy task force.

#### **7.4.2 Development of Diversion, Prevention and Home-Based Services**

Between 1997 and 2001, Muskingum County experienced a 22% decrease in child abuse incidents (Table 7.14). All demonstration counties had a 17% decrease in incidents, while comparison counties had a 42% decrease in incidents. Since the number of incidents reflects not only the incidence of maltreatment in the communities served but also the screening process as well as alternative service availability, Muskingum County's decreases may be attributable to MCCS tightened screening procedures and the development of alternative social services in the community. The agency developed diversion and early intervention services that can be offered to families to prevent the occurrence of abuse and neglect. These generic social services are offered to families in lieu of opening a PCSA case. The Enhanced Services Unit provides a range of "preventive" services: a home-based therapist (for families with mental health and substance abuse issues), homemaker services, a parent educator, and a worker who goes to court with information gathered through a psychological assessment to provide recommendations that may divert the case from entering MCCS. All of these interventions are intended for cases where MCCS involvement is not immediately required, in order to diminish the need for future PCSA involvement.

MCCS studied the source of the bulk of referrals and developed services and programs to target the particular areas of greatest need. The agency collected data to identify particular areas of the County that were generating the most referrals and moved staff and resources to these areas of the County. For example, MCCS developed the Educational Achievement Specialist program, which puts social workers into the schools in the highest-need areas of the County. The program links families with services prior to the need for MCCS intervention. A lice program was also developed.

About 83% of the cases served are abuse/neglect cases, having decreased slightly (2%) since 1997. Muskingum County has always had a higher proportion of cases that were abuse and neglect relative to other evaluation counties. In 1997, Muskingum County had 85% abuse and neglect cases, while the demonstration counties had 80%, and the comparison counties had 75%. Demonstration and comparison county percentage of abuse and neglect cases both decreased by 5% relative to Muskingum County's 2% decrease.

##### *Increased Capacity to Serve Families Quickly and Effectively*

Because of MCCS efforts to divert cases from the formal child welfare system, the cases that are opened are likely more serious. Nevertheless, the proportion of children served in their own homes, rather than in foster care, was one of the highest at the beginning of the Waiver (82%), and continues to be one of the highest, with an increase of 3% between 1997 and 2001. The point-in-time number of children in custody at the end of 1997 compared to the end of 2000 has decreased by 30%, signifying fewer children in care at any given time. This decrease represents one of the largest decreases among the demonstration counties. For those cases that are opened, the PCSA has used the Waiver

flexibility to develop its internal capacity to serve cases more timely and more effectively.

| <b>Table 7.14: Participant Outcomes for Muskingum County</b>           |                  |                                              |                                           |
|------------------------------------------------------------------------|------------------|----------------------------------------------|-------------------------------------------|
|                                                                        | <b>Muskingum</b> | <b>All Demonstration Counties<br/>(n=14)</b> | <b>All Comparison Counties<br/>(n=14)</b> |
| Child abuse incidents: 1997                                            | 870              | 28,503                                       | 21,620                                    |
| Percent change '97-'01                                                 | -22 %            | -17 %                                        | -42 %                                     |
| Percent cases that are abuse/ neglect (versus non-abuse/neglect): 1997 | 85 %             | 80 %                                         | 75 %                                      |
| Change in percent '97-'00                                              | -2 %             | -5 %                                         | -5 %                                      |
| Percent children served in-home (versus in placement): 1997            | 82 %             | 75 %                                         | 78 %                                      |
| Change in percent '97-'01                                              | +3 %             | +2 %                                         | -3 %                                      |
| Children in custody at year end:1997                                   | 101              | 6,387                                        | 4,102                                     |
| Percent change '97-'00                                                 | -30 %            | +10 %                                        | +13 %                                     |
| New children available for adoption subsidy: 1997                      | 20               | 565                                          | 296                                       |
| Percent change '97-'00                                                 | -20 %            | +40 %                                        | +32 %                                     |
| Children in permanent commitment at year end: 1997                     | 22               | 1227                                         | 853                                       |
| Percent change '97-'00                                                 | -18 %            | +35 %                                        | +28 %                                     |
| Children in PPLA at year end: 1997                                     | 15               | 1013                                         | 535                                       |
| Percent change '97-'00                                                 | -60 %            | +4 %                                         | +28 %                                     |

Since the Waiver began, the agency has increased the overall number of caseworkers and other support workers, increasing its capacity to serve families more quickly. In the last five years, the number of PCSA staff has increased from 64 to 88. Aggregate expenditure information reflects this increase—spending on staff and related administrative expenditures has increased 95% since 1996 (Appendix I). Similarly, many of the prevention positions described above enable the agency to efficiently provide needed services not otherwise available in the community. In particular, the lack of mental health and substance abuse services in the community has led MCCA to develop its own services: the child psychologist (discussed below) and the home-based therapist program were initiated to decrease the number of children placed in treatment settings

outside the County, by providing needed mental health and substance abuse services within the County in both the child's own home and in substitute care settings.

A good example of the development of a new PCSA service is the contract with a local clinical psychologist. To gain a more thorough understanding of the needs of a family when it first comes into the MCCS system, the agency has contracted with a local child psychologist to conduct mental health assessments and provide recommendations to assist in developing a case plan. This effort to assess early and often is viewed as a powerful tool in avoiding expensive and lengthy placements, reducing length of stay in foster care, preventing disruptions from inappropriate placement settings, and reducing the number of children in custody.

#### *Fiscal Shift to Non-Placement Services*

Between 1996 and 2002, Muskingum County experienced a 107% growth in all other child welfare (non-board and care) expenditures, growing from \$1.5 million to \$3.3 million (Table 7.15). Non-board and care costs increased each year throughout the period. This increase compares to a 77% increase for all demonstration counties and a 46% increase for all comparison counties. Noted above, County staff costs, comprising the largest share of the non-board and care expenditures, increased by 95% between 1996 and 2002, increasing from \$1.5 million to \$2.9 million. This level of increase reflects both casework staff and, particularly, staff in the enhanced services unit providing prevention and diversion services.

Costs of Avondale, the County Home, increased 73% during the period, reflecting a shift toward a more difficult population and a more therapeutic model of care. Non-foster care contracts increased significantly over 1996 levels, increasing from \$3000 to \$269,000, reflecting primarily the contractual mental health service costs, and resources to enable caseworkers to tap home-based services, cash, and material support more readily, thus reducing the need for placement.

The shift in staff time to non-placement services is reflected in the results of the time study completed by direct service staff. During 1997 and 1998, staff spent 22% and 24% of their time on foster care maintenance activities. But by 2002, that percentage had dropped to 13%, with 28% of staff time spent on non-foster care activities. The unit cost of county staff for foster care activities increased from \$9.45 in 1997 to a high of \$19.30 in 2001, but dropped to \$12.90 in 2002. In 2001, over 40% of staff time was spent in training, while in 2002, over 50% of staff time was spent in training, probably reflecting the training required of new staff. The agency, under current leadership, also supports staff pursuing advanced degrees. Muskingum staff spends more time in training than any of the other study counties (see Appendix II).

| <b>Table 7.15: Fiscal Outcomes for Muskingum County</b>                                                                                |                  |                                    |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------------|---------------------------------|
|                                                                                                                                        | <b>Muskingum</b> | <b>All Demonstration Counties+</b> | <b>All Comparison Counties+</b> |
| Average number of placement days purchased in 1996-1997                                                                                | 36,566           | 1,937,997                          | 1,302,775                       |
| Number of placement days purchased in 2002                                                                                             | 28,848           | 2,245,630                          | 1,407,211                       |
| Percent change*                                                                                                                        | -21%             | 16%                                | 8%                              |
| Average percent paid placement days that were residential in 1996-97                                                                   | 20%              | 11%                                | 10%                             |
| Percent paid placement days that were residential in 2002                                                                              | 24%              | 11 %                               | 11 %                            |
| Change in percent                                                                                                                      | 4%               | 0%                                 | 1%                              |
| Average daily cost of foster care in 1996-1997                                                                                         | \$51.86          | \$42.65                            | \$37.69                         |
| Average daily cost of foster care in 2002                                                                                              | \$88.67          | \$59.72                            | \$53.71                         |
| Percent change*                                                                                                                        | 71%              | 44%                                | 51%                             |
| Foster care board & maintenance expenditures in 1996-97 \$(000)                                                                        | \$1,900          |                                    |                                 |
| Foster care board & maintenance expenditures in 2002 \$(000)                                                                           | \$2,558          |                                    |                                 |
| Percent change*                                                                                                                        | 35%              | 39%                                | 58%                             |
| All other child welfare expenditures in 1996-97 \$(000)                                                                                | \$1,541          |                                    |                                 |
| All other child welfare expenditures in 2002 \$(000)                                                                                   | \$3,298          |                                    |                                 |
| Percent change*                                                                                                                        | 114%             | 77%                                | 46%                             |
| Total increase in all other child welfare expenditures over inflation-adjusted baseline as percent of total child welfare expenditures | 19%              | 16%                                | 8%                              |

\*Demonstration and comparison county figures show the average of each available county's change in the measure.

+ Placement days statistics are based on data from all 28 counties; foster care expenditures are based on 12 counties; and other child welfare expenditures are based on 11 counties.

When the growth in all other child welfare expenditures is viewed in the context of the County's total child welfare expenditures, Muskingum appears to have had somewhat greater growth than other study counties, 19% compared to 16%. It is important to note that a portion of this additional growth seems to have been financed with flexible Waiver revenues. Specifically, 13% of the increased spending (\$625,000) came from Waiver revenues not used for foster care, and 87% (\$4,045,000) came from other revenue sources. As a result, Muskingum's use of non-Waiver revenue sources has been among the highest of the demonstration counties' use (16% of total expenditures) (see Table 4.12 above).

Additionally, the agency intends to add 4-5 mental health therapists and 4-5 drug and alcohol caseworkers in future years to address inadequacies in the current behavior health system in Ohio.

### **7.4.3 Development of Less Expensive Placement Options and More Permanency Options**

Through FFY01, MCCS had one of the largest decreases in paid placement days among the demonstration counties—36%. With a 27% increase in paid placement days in FFY02, the overall decrease in placement days between 1996-97 and 2002 was 21%. Still, this decrease compares favorably with the demonstration county average growth rate of 16% and the comparison county average growth rate of 8%. With its focus on identifying and providing appropriate services quickly, the increase in use of unpaid relative caregivers, the development of less expensive placement options and more permanency options, MCCS has substantially decreased the number of children in paid placement since the beginning of the Waiver.

Since the percentage of children served in their own homes has remained relatively constant, this overall decrease in placement days likely reflects declines in foster care admissions and/or shorter lengths of stay in foster care. This pattern of reduced use of substitute care is consistent with the fact, noted earlier, that the number of children in care at the end of 2000 was 30% less than the number of children in care at the end of 1997 (Table 7.14).

MCCS has focused on developing ways to keep children out of placement and to decrease the time children spend in residential placements. For example, the agency is now regularly paying the cost of services provided to children who come through the court but who are not in PCSA custody. The agency believes that by providing this financial assistance for non-custodial children, it avoids a potentially expensive placement in the future. PCSA managers argue that this unique arrangement would not be possible without the flexibility of the Waiver.

In spite of these efforts, the percentage of paid placement days that were residential actually increased by 4%, whereas the percentage of residential days did not increase at all for the demonstration counties as a group, and only increased 1% in the comparison counties. MCCS management attributes this increase to the fact that, since many of the

less difficult cases were diverted from the system, or provided mental health services in their homes, the children who entered care had more complex issues. Consistent with this argument, a larger proportion of children entering their first placements in Muskingum were adolescents, compared to the pre-Waiver period (see Table 6.3 above). It is also worth noting that in small counties, residential bed days can vary substantially from year to year. The pre-Waiver average number of children admitted to residential care was 10, versus the post-Waiver average of 13 (Table 7.16).

| <b>Table 7.16: Change in Types of Placement Admissions, Pre-Waiver to Waiver, for Muskingum County</b> |                                        |                                          |                                                 |
|--------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------|-------------------------------------------------|
| <i>Type of Placement</i>                                                                               | <i>Average # of Admissions 1991-97</i> | <i>Average # of Admissions 1998-2001</i> | <i>% Change in Average Number of Admissions</i> |
| Foster family                                                                                          | 56                                     | 55                                       | -2%                                             |
| Residential                                                                                            | 13                                     | 29                                       | +29%                                            |
| Group care                                                                                             | 1                                      | 0                                        | -100%                                           |
| Other                                                                                                  | 7                                      | 9                                        | +23%                                            |
| TOTAL without unpaid placements                                                                        | 74                                     | 77                                       | +3%                                             |
| Unpaid, unlicensed relative and non-relative placements                                                | 9                                      | 9                                        | No change                                       |
| TOTAL all placements                                                                                   | 83                                     | 86                                       | +4%                                             |

MCCS has also expanded the number of its family foster homes, with hopes of decreasing reliance on more expensive network, primarily out-of-county, placements. The agency has made significant increases in its foster care per diem in order to attract more foster parents. In the final year of the Waiver, the foster parent recruiter focused efforts in neighborhoods identified as in need of more family foster homes. These efforts appear to have been effective: the number of agency family foster homes increased from 17 to 50 between 1996 and 2002.

At the same time, MCCS has intensified its efforts to place children with relatives, most often with the relative taking custody of the child. When the agency does take custody, efforts are made to place with a relative quickly and shift custody to the relative at the same time. This practice has resulted in an increase in placements with relatives. These efforts have increased permanency for children and reduced the case management involvement of MCCS. Supportive services are still available to the kinship home through Kinship Navigator.

Reductions in paid placement days can come about through reduced admissions to placement and through shortening lengths of stay in care. In terms of admissions to paid placements, Muskingum County remained fairly constant from the pre-Waiver period (1991-1997) to Waiver period (1998-2002), experiencing a 3% increase (Table 7.16). The only decline was a slight one (-2%) in placement days in foster family homes.

From the pre-Waiver period to the Waiver period, Muskingum County also saw a significant decrease of 14% in first placements that were in foster homes (shown in Table 6.5 above), a subset of all placements and a smaller group than discussed above. This decrease was offset by a statistically significant increase of 9% in unpaid relative and non-relative placements.

Though not statistically significant, both Table 7.16 and Table 6.5 also show a slight increase in all placements and first placements to residential settings. This increase may reflect the increasing age and level of severity of the mental health problems of those children entering substitute care at all, since those without problems or with fewer problems were more likely to have been diverted from placement. It is also possible that with the agency's professional mental health assessment process, those children needing residential treatment are more accurately identified.

#### *Changes in Length of Stay in Out-of-Home Care*

In Year 4 analysis of length of stay in foster care, the study team found that Muskingum children exiting their first out-of-home care placement (other than residential) had spent significantly less time in care than similar children in the comparison counties. However, the Year 5 analysis showed no significant difference between overall length of stay in Muskingum from what would have been expected without the Waiver (see Table 7.17), indicating that thus far the analysis can detect no evidence that Muskingum has been able to use the Waiver to systematically shorten length of stay in care. The expected replication of the Year 4 finding in the Counterfactual analysis did not materialize, since the analysis did not look separately at non-residential first placements. Nonetheless, the Year 5 result appears to support the same pattern of Lorain having shorter placement duration for children exiting first placements than it would have had without the Waiver (a decrease of 2.24 months).

In one area, however, there was a significant change in length of stay from what would have been expected without the Waiver. The median length of stay for exits from first placement to adoption were much quicker in Muskingum County than would have been expected without the Waiver, with the duration declining by nearly 9 months, to 17.38 months (Table 7.17). This median duration is much shorter than for all demonstration counties as a whole (31.78 months).

Though not statistically significant, Muskingum appears to have decreased the median duration of exits to relatives from what would have been expected without the Waiver (1.40 months vs. 6.84 months). The median duration of exits resulting in custody to relatives is shorter than all demonstration counties as a whole as well (6.56 months),

possibly reflecting the agency’s philosophy of transferring custody to the relative as quickly as possible, but offering support services to the relative.

| <b>Table 7.17: Median Duration of First Placements in Muskingum</b> |                |                                       |                                           |                                  |
|---------------------------------------------------------------------|----------------|---------------------------------------|-------------------------------------------|----------------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>                   | <i># cases</i> | <i>Actual length of stay (months)</i> | <i>Counterfactual length of stay (mo)</i> | <i>Effect of Waiver (months)</i> |
| Any type of exit                                                    | 308            | 4.10                                  | 6.34                                      | -2.24                            |
| Adoption                                                            | 23             | 17.38                                 | 26.26                                     | -8.88*                           |
| Reunification                                                       | 145            | 4.16                                  | 3.56                                      | 0.60                             |
| Custody to relative                                                 | 95             | 1.40                                  | 6.84                                      | -5.44                            |
| Runaway                                                             | 1              | 25.35                                 | 18.25                                     | 7.10                             |

\* indicates statistical significance

#### *Exits from Out-of-Home Care*

The only exit type that showed a statistically significant change in Muskingum County was custody to relative (Table 7.18); this exit type was also significant for all demonstration counties, but Muskingum’s effect was three times as strong. Of MCCA children exiting from their first placements, 30% exited to relative custody, compared to the 17% that would have been expected to exit to relative custody without the Waiver. This certainly reflects the agency’s focus on family-centered practice, which emphasizes relative caregivers, and may also reflect the fact that MCCA has added two home assessors. Currently 90% of the agency’s placement homes are unlicensed kinship homes. The agency believes firmly in bringing family members together to talk about the relatives taking custody. The PCSA may take custody for 1-2 days, until the Emergency Custody Hearing (shelter hearing), at which time they suggest the relative take custody. It might be through a voluntary agreement, where the child is placed with the relative without a custody change, or perhaps with a 30-day guardianship agreement.

The PCSA has done so well in this regard that the juvenile court and the domestic relations court have asked them to start assessing homes for children in court custody, and also to facilitate visitations.

| <b>Table 7.18: Frequencies of Exit from Placement: Muskingum</b> |                |                 |                         |                         |
|------------------------------------------------------------------|----------------|-----------------|-------------------------|-------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>                | <i># Cases</i> | <i>Actual %</i> | <i>Counterfactual %</i> | <i>Effect of Waiver</i> |
| Any type of exit                                                 | 308            | 100.00          | 100.00                  | NA                      |
| Adoption                                                         | 23             | 8.38            | 10.58                   | -2.20                   |
| Reunification                                                    | 145            | 46.50           | 52.90                   | -6.40                   |
| Custody to relative                                              | 95             | 30.32           | 17.04                   | 13.28*                  |
| Runaway                                                          | 1              | 0.15            | 0.12                    | 0.03                    |
| Other                                                            | 44             | 14.68           | 19.36                   | -4.68                   |

\* indicates statistical significance

Although not significant, the apparent small decrease in children exiting to return home may be due to better mental health assessments. Since the PCSA is now doing these assessments in-house, they feel they are getting more complete information. The agency focuses on finding the least restrictive placement as soon as possible, not “fooling around for a long time” before deciding where a child should go. This means that, more often than not, when a family has multiple needs, the agency is better able to distinguish between those families whose needs are short term versus long term, and can move to quickly place the child outside of the home if he is from a household with long-term needs.

#### *Shifts in Foster Care Spending*

Although Muskingum County had a 21% decrease in paid placement days over the course of the Waiver, its board and care costs have continued to increase. Board and care costs have increased 35% in Muskingum, compared to 64% across demonstration counties, and 43% across comparison counties. This increase is due to two factors: the growing proportion of paid placement days that are residential, and an increase in the average daily cost of foster care.

Thirteen percent of Muskingum County children in first placement are in residential settings, somewhat higher than that of other demonstration sites of comparable size (Table V-3 in the Appendix). Table 7.15 shows that 24% of paid placement days are for residential settings, a 4% increase from pre-Waiver days. The county entered the Waiver with a considerably higher proportion of residential placement days than most other counties (20% in Muskingum versus 10% in demonstration and 11% in comparison counties).

The average daily cost of foster care in 1996-97 was \$51.86. By 2002, the average daily cost of foster care had increased to \$88.67, a 71% increase. This increase compares to an average 40% increase across demonstration counties, and a 41% increase across comparison counties. Indeed, Muskingum's average daily cost of foster care increased more than any other county in the study, and is considerably higher than the average. Demonstration counties' average cost is \$60.70, while the comparison county average is \$54.77.

MCCS' higher average daily cost reflects several factors. First, Muskingum County's higher proportion of residential bed days results in a higher average daily cost of foster care, since residential bed days cost more than non-residential bed days. Second, the PCSA has consistently increased foster home per diems to four times what they were at the beginning of the Waiver. The increases in agency foster home per diems have served to increase the number of agency foster homes, thus reducing the number of children that must be placed in network foster homes. Third, the growing cost of Muskingum's County Home, which has shifted toward a more therapeutic model, has served to increase the average daily cost of foster care as well.

Avondale, the County Home, is no longer a home for abused and neglected children; it has become a treatment facility for unruly and delinquent youth, with therapeutic services added to the program. It is also used as a step-down program for children returning from out-of-county residential placements. Previously, delinquent/unruly children went to out-of-county facilities, but the PCSA made a commitment to serving them close to home when agency leadership changed. At the same time, the PCSA has created a program called "After Avondale" for the children and youth returned home (to birth home or to relatives), so that even after case closure, the parents can receive additional support. The program offers parenting classes and other targeted activities. In addition, the PCSA spends significant amounts of money on one-time only needs, to facilitate a child moving to a less restrictive setting (e.g. buy a bed or pay back rent). The shift in Avondale, and the addition of new support services, may lead to a decrease in future years in the overall use of residential placement, as children are moved more quickly out of residential settings into less restrictive placements.

#### **7.4.4 Permanency Outcomes**

While MCCS has made strong efforts to reduce the number of children entering the system, they have also addressed permanency options at the other end of the system. The primary focus has been to improve permanency in the area of adoption. The agency has made a concerted effort to develop more options for children to be adopted. Due to Adoption and Safe Families Act (H.B.484/AFSA), and the agency's focus on permanency efforts, the PCSA enhanced the adoption unit: they added adoption staff, doubling from 2 to 4 workers. Since the Waiver, the agency has increased the subsidy for special needs adoption. In the past, MCCS was rarely able to give an adoption subsidy above the basic \$250/month, creating a disincentive for foster parents of special needs children. The larger subsidy, now possible as a result of the Waiver, has increased the

number of foster parents that are willing to adopt. Spending on adoption has increased 25% since 1997. The county appears to have eliminated its backlog of children awaiting adoption, demonstrated by the fact that MCCA substantially increased adoptions in 1997, the first year of the Waiver. The number of children in permanent commitment declined by 18% from the end of 1997 to the end of 2000 (Table 7.14). There has also been a 20% decrease in the number of new children available for adoption subsidy between 1997 and 2000. This compares to a 40% growth in the number of children available for adoption in demonstration sites and a 32% growth in comparison sites. Although the small numbers of children involved may make this percentage change misleading, the general trend may be influenced by improved efforts to return children to family, including relatives, as the best permanency option. These declines suggest that the increases in the subsidy provided by MCCA, made available by the Waiver, as well as increased staffing and other enhancements to the adoptions process may have served to improve permanency for children.

The more complete picture of the adoption effects emerges by considering Muskingum's significant decrease in length of time in foster care for children exiting to adoption. As discussed above, children adopted in Muskingum County spend almost nine months less in care than they would have without the Waiver (Table 7.17). In addition to increased adoption staffing and increased adoption subsidies, MCCA made a philosophical shift, to now having all homes licensed as foster-to-adopt. MCCA has increased the supports offered to adoptive parents as well. Staff at Avondale (the County Home) offer special classes and support groups for adoptive families, including topics suggested by adoptive parents. The services they offer are equally available to foster and adoptive parents. Expenditures for adoption subsidies and contracts increased over 200%, from \$30,000 to \$94,000 (see Appendix II).

MCCA has also successfully decreased by 60% the number of children in PPLA at the end of 1997 compared to the end of 2000. This contrasts with a 4% increase among all demonstration sites and a 28% increase in all comparison sites. While this level of improvement may be a function of the changes in the agency's adoption program, it should be noted that MCCA has greatly increased its exits to relatives (Table 7.18). The group of children in residential care, because of their long-term therapeutic needs and age, would be the group most likely to find themselves in planned permanent living arrangements. The additional therapeutic services the agency now offers to families, including relative caregivers, may be serving to prevent children from entering planned permanent living arrangements from residential settings, instead shifting them to relative caregivers.

#### *Re-entry Rate and Median Duration of First Reunification*

Muskingum County, like all the other demonstration counties, does not show a significant change in either re-entry rate or length of reunification prior to re-entry, compared to what would have occurred without the Waiver. This suggests that Muskingum children are no worse off under the Waiver than they would have been otherwise; this is an

important point, since policy makers have been concerned that child safety could suffer if counties had greater flexibility to return children from foster care.

#### **7.4.5 Conclusion**

Overall, during the course of the Waiver, Muskingum County appears to have made progress toward desired fiscal outcomes and participant outcomes; these positive changes appear to be related to systemic changes made in the provision of child welfare services. The increase in preventive services to reduce entrance into the system, the addition of therapeutic and other support services for children in placement, and the increased use of unpaid relatives, appear to have played a role in reducing the paid placement days by 21%, when in other demonstration and comparison counties, paid placement days increased over the same period. These services also appear to have helped to greatly reduce the number of children in care at any one time, when demonstration and comparison counties experienced increases. MCCS' efforts to expedite permanency, particularly around the enhancement of adoption services, resulted in a significant decrease in the median length of stay to adoption, and in a reduction in the backlog of children awaiting adoption and in PPLA status.

Overall, participation in the Waiver resulted in the County making a significant shift in its expenditures, from 55% on board and care costs in 1996 to 44% in 2002. This occurred in spite of sizeable increases in the average daily cost of foster care and an increase in residential bed days. Muskingum used its savings in board and care costs primarily to increase non-board and care services.

#### **7.5 FRANKLIN COUNTY PCSA: CASE STUDY**

Franklin County, Ohio, encompasses the city of Columbus and its metropolitan area. The population of 1,071,524 people<sup>7</sup> lives in urban and suburban areas. Franklin is the second largest county in Ohio and holds the largest city. Compared to the state average, Franklin County in total is somewhat less subject to the problems of unemployment, poverty, and juvenile crime. However, within the city of Columbus, certain areas are poorer than most other counties. The Franklin County Children Services (FCCS) provided assistance to 9,499 children in ongoing cases at the end of federal fiscal year 2001, approximately 3.5% of all children under the age of 18 in the county. This figure is somewhat higher than the average for demonstration counties, which rests at 2.0%. (See Appendix V-8.)

FCCS entered ProtectOhio to enhance its capacity to change the dynamics of service delivery, ultimately to reduce placements and improve services and supports to families. The first line of attack was the provider system: FCCS sought to give providers more responsibility, and thus reduce fragmentation, and to make cost a real consideration for providers. The agency chose to implement a managed care contract, referring a random group of cases at opening to two non-profit provider groups.

From the beginning of the managed care contracts, FCCS management anticipated that

---

<sup>7</sup> From the 2000 Census

the funding flexibility of the Waiver would lead to improvements at both the individual and the system level. For children and families, while fewer resources would perhaps be spent per family, service plans would be more creative, and would be implemented in less fragmented ways, and more attention would be given to assuring quality. At a systems level, FCCS expected be more creative with agency contracts, and to broaden its provider pool. In the long-term, the agency would become more focused, continuing its responsibility for intake and investigation, specialized placements, long-term foster care, emancipation, and permanent custody; and intensifying its role in quality assurance.

While the primary locus of FCCS Waiver activity has been the managed care contracts, the agency has also made critical changes in internal operations; in particular, non-management staff now share responsibility for specific outcomes, as part of the Union contract; kinship and neighborhood-based foster care have expanded; and quality assurance is gradually becoming more formal and more comprehensive.

The following sections describe basic organizational changes made in FCCS, shifts in initial interventions for children and families (pre-placement), changes in placement patterns, and improvements in permanency outcomes.

### **7.5.1 Fundamental Changes in FCCS Operations**

#### *Managed Care Contracts*

In FFY 1999, FCCS contracted with two different provider networks: Ohio Youth Advocate Program (OYAP, primarily a foster care network) with numerous subcontractors, and a consortium called Permanent Family Solutions (PFS). When cases are opened, they are randomly assigned to FCCS staff, OYAP, or PFS, with 25% of the total caseload currently assigned to the contractors. Intake, investigation, and adoption continue to be the responsibility of FCCS, while the contracts include ongoing case management and services, including responsibility for the placement of the children. Once a case has been assigned to a managed care contract, FCCS no longer provides case management. FCCS maintains investigatory responsibility and continues to attend court hearings in conjunction the contractors.

The initial case rates were \$23,074 for OYAP and \$20,515 for PFS, with incremental payments at referral, three months later, and at closure<sup>8</sup>. The contract includes: (a) a partial case rate payment for reopening a case within 18 months, (b) risk sharing on individual cases when the case cost exceeds four times the case rate, (c) a risk corridor on total expenditures (five percent the first year, ten percent the second year), and (d) a set-aside of \$970,000 to protect against cost overruns. To minimize re-entry into the system, the managed care contractors continue to provide services after the case is closed.

FCCS has compiled three years of data to look at the outcomes for cases served by FCCS compared to those served through the managed care contracts. The findings suggest that the random assignment of cases has worked fairly well, with caseloads being similar. On

---

<sup>8</sup> The most recent contract sets the case rate for both providers at \$28,869 for 2003, \$29,971 for 2004, and \$32,000 for 2005; in addition, risk-sharing begins when the case cost reaches three times the case rate.

several key outcomes, no differences are evident between the two groups, suggesting that, thus far, use of the managed care contracts has done no harm for children<sup>9</sup>.

#### *Global Goals for Staff*

Another change related to managed care is the adoption of global goals in the Union contract, which serve as outcomes for child welfare staff. The Union agreement established three “global goals”: reduction in length of stay, increasing face-to-face contacts every 30 days, and reducing return to placement (recidivism). To foster teamwork rather than competition among staff, performance is calculated for all FCCS staff as a group; if it reaches a target level, all staff receive a bonus. Early indications are that the new goals are having a positive effect – 30-day face-to-face contact has increased to 91% of all cases for both the FCCS and the Managed Care worker groups, and both groups have a 3% maltreatment rate among open cases. Reductions in median time in temporary custody are not yet evident, with both groups remaining well above the target level of 94 days<sup>10</sup>.

#### *Managed Care Index*

Both the new managed care contracts and the use of outcome incentives for staff appear to be part of a larger plan in Franklin County to develop greater control over how limited child welfare resources are used. Throughout the Waiver, the evaluation team has systematically explored each county’s embrace of key managed care strategies, all related to more rational management of PCSA responsibilities. By the fifth year of the Waiver, FCCS had one of the highest scores on the use of managed care overall; it scored higher than the average in both groups of counties on five of the eight managed care components, suggesting a broad-based commitment to rationalization of management approaches (Table 7.19).

Franklin County has made particularly strong efforts in the areas of financing, competition, utilization review, and quality assurance. Use of managed care risk-sharing contracts has been the agency’s core Waiver initiative; it is one of only four counties that is using case rate contracts, and is one of the most extensive such efforts, covering all types of ongoing cases.

---

<sup>9</sup> Franklin County Children Services *Managed Care Monthly Outcome Report*, September 2002.

<sup>10</sup> *Ibid*

| <b>Table 7.19: Managed Care Components in Franklin County</b> |                 |                              |                           |
|---------------------------------------------------------------|-----------------|------------------------------|---------------------------|
|                                                               | <b>Franklin</b> | <b>Average Demonstration</b> | <b>Average Comparison</b> |
| Managed care index+                                           | 53.2            | 43.6                         | 36.1                      |
| Service array                                                 | 3.0             | 6.8                          | 5.8                       |
| Targeting                                                     | 2.5             | 2.0                          | 1.5                       |
| Case management                                               | 3.0             | 5.4                          | 5.1                       |
| Competition                                                   | 12.0            | 7.1                          | 4.9                       |
| Financing                                                     | 9.7             | 4.9                          | 2.3                       |
| Utilization review                                            | 9.0             | 6.4                          | 5.6                       |
| Quality assurance                                             | 12.5            | 8.8                          | 7.4                       |
| Data Management                                               | 2.0             | 2.9                          | 2.2                       |

+ Index score is a weighted sum of the components.

In terms of enhancing competition, FCCS, like many other public child serving agencies (PCSAs), has systematically sought to increase its use of agency foster and adoptive homes, reducing reliance on network homes and more restrictive placement settings (see below for more details). The high score on competition reflects FCCS’ consistent increases in foster family care per diem rates, formal media campaigns, and child-specific recruitment activities. In addition, the managed care contractors have developed Preferred Provider arrangements for network foster homes.

To support expanded utilization review and quality assurance efforts, FCCS has developed its own data management system, with a focus on producing management-level information related to quality assurance and especially outcomes. They have an elaborate process to measure effectiveness of FCCS service provision, and to make comparisons among regions and between FCCS and the managed care contractors. These outcomes have been incorporated into the FCCS strategic plan and the managed care contracts; time will tell how practice changes as result.

**7.5.2 Changes in Use of Home-based and Prevention Services**

FCCS witnessed a small decrease in the proportion of children served in-home, versus in placement, between the pre-Waiver period and the Waiver period. For the demonstration counties as a group, children served in-home increased by 2% while in Franklin they declined by 2%, more like the comparison sites which had a 3% decrease (Table 7.20). Perhaps this is partly due to the high proportion of cases that come to FCCS from the Juvenile Court (37% of adjudications during the Waiver period that were adjudicated

delinquent or unruly/status offender<sup>11</sup>), which are likely not as appropriate for home-based interventions and often have been slated for placement.

| <b>Table 7.20: Participant Outcomes for Franklin County</b>            |                 |                                          |                                       |
|------------------------------------------------------------------------|-----------------|------------------------------------------|---------------------------------------|
|                                                                        | <b>Franklin</b> | <b>All Demonstration Counties (n=14)</b> | <b>All Comparison Counties (n=14)</b> |
| Child abuse incidents: 1997                                            | 8,588           | 28,503                                   | 21,620                                |
| Percent change '97-'01                                                 | -11 %           | -17 %                                    | -42 %                                 |
| Percent cases that are abuse/ neglect (versus non-abuse/neglect): 1997 | +80 %           | +80 %                                    | +75 %                                 |
| Change in percent '97-'00                                              | -6              | -5                                       | -5                                    |
| Percent children served in-home (versus in placement): 1997            | 75 %            | 75 %                                     | 78 %                                  |
| Change in percent '97-'01                                              | -2              | +2                                       | -3                                    |
| Children in custody at year end: 1997                                  | 2,551           | 6,387                                    | 4,102                                 |
| Percent change '97-'00                                                 | +19 %           | +10 %                                    | +13 %                                 |
| New children available for adoption subsidy: 1997                      | 178             | 565                                      | 296                                   |
| Percent change '97-'00                                                 | +72 %           | +40 %                                    | +32 %                                 |
| Children in permanent commitment at year end: 1997                     | 390             | 1227                                     | 853                                   |
| Percent change '97-'00                                                 | +68 %           | +35 %                                    | +28 %                                 |
| Children in PPLA at year end: 1997                                     | 170             | 1013                                     | 535                                   |
| Percent change '97-'00                                                 | +124 %          | +4 %                                     | +28 %                                 |

The presence of more court-referred cases is consistent with the decrease in abuse & neglect cases that opened for services in Franklin County – during the Waiver, FCCS had 5% fewer ongoing cases that had abuse/neglect reports than it had prior to the Waiver, a decline that mirrors what occurred in the other study sites.

Trends in expenditures during the Waiver add further detail to the picture of modest change in the use of preventive services. Overall FCCS non-placement spending increased 61% between the 1996-97 baseline and 2002 (Table 7.21); this includes spending on four major “cost centers” which covers staff engaged in prevention,

<sup>11</sup> *Second Annual Report*, Table I-8b, Distribution of Adjudication Results During the Waiver Period.

protection, placement, and permanency activities. The change in spending on the Prevention program grew considerably more slowly, by only 16%. At the same time, spending on county Placement program (including staff and other operating costs excluding board and care) increased 123%, and growth in the Permanency program was 145% (see Appendix II).

Franklin's 61% growth in "other child welfare" expenditures is slightly less than the rate in other demonstration counties (77% for all demonstration sites) and slightly greater than the rate for comparison sites (46% for all comparison sites), but it nonetheless did not keep pace with the agency's 78% total budget growth (see Appendix II). In addition, when other child welfare expenditures are viewed from the perspective of flexible funds generated under the Waiver, two facts stand out: first, Franklin County has spent well beyond its additional Waiver revenues to expand other child welfare activities, funding 10% of its increase from non-Waiver sources (see Table 4.12 above); and second, it has done so to a modest extent compared to most other demonstration sites—12% of total expenditures during the Waiver period were for new, non-placement activities, compared to 16% for all demonstration sites (table 7.21). However, this is still greater than the proportion spent by the comparison sites, 8%, suggesting that Franklin has taken some advantage of the Waiver flexibility to expand in non-foster care placement areas.

FCCS management anticipates that the managed care contracts will lead to greater availability of home and community-based services for children and families.

| <b>Table 7.21: Fiscal Outcomes for Franklin County</b>                                                                   |                 |                                    |                                 |
|--------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------|---------------------------------|
|                                                                                                                          | <b>Franklin</b> | <b>All Demonstration Counties+</b> | <b>All Comparison Counties+</b> |
| Average number of placement days purchased in 1996-1997                                                                  | 699,736         | 1,937,997                          | 1,302,775                       |
| Number of placement days purchased in 2002                                                                               | 1,023,801       | 2,245,630                          | 1,407,211                       |
| Percent Change*                                                                                                          | 46%             | 16%                                | 8%                              |
| Average percent paid placement days that were residential in 1996-97                                                     | 10%             | 11%                                | 10%                             |
| Percent paid placement days that were residential in 2002                                                                | 15%             | 11 %                               | 11 %                            |
| Change in percent                                                                                                        | 5 %             | 0%                                 | 1%                              |
| Average daily cost of foster care in 1996-1997                                                                           | \$47.85         | \$42.65                            | \$37.69                         |
| Average daily cost of foster care in 2002                                                                                | \$68.57         | \$59.72                            | \$53.71                         |
| Percent Change*                                                                                                          | 43%             | 44%                                | 51%                             |
| Foster care board & maintenance expenditures in 1996-97 \$(000)                                                          | \$34,612        |                                    |                                 |
| Foster care board & maintenance expenditures in 2002 \$(000)                                                             | \$70,199        |                                    |                                 |
| Percent Change*                                                                                                          | 103%            | 39%                                | 58%                             |
| All other child welfare expenditures in 1996-97 \$(000)                                                                  | \$48,263        |                                    |                                 |
| All other child welfare expenditures in 2002 \$(000)                                                                     | \$77,478        |                                    |                                 |
| Percent Change*                                                                                                          | 61%             | 77%                                | 46%                             |
| Total increase in all other child welfare expenditures over inflation-adjusted baseline as percent of total expenditures | 12%             | 16%                                | 8%                              |

\*Demonstration and comparison county figures show the average of each available county's change in the measure.

+ Placement days statistics are based on data from all 28 counties; foster care expenditures are based on 12 counties; and other child welfare expenditures are based on 11 counties.

### 7.5.3 Changes in Placement Use

Part of the reason that home-based and preventive services have seen little growth is the marked increase in Franklin County's paid placement days. To the extent that agency resources have to be used to cover board and care expenses, less is available for front-end efforts. Indeed, FCCS saw one of the largest increases in paid placement days over the course of the Waiver, a growth of 46% from the pre-Waiver baseline to 2002. This contrasts sharply with a 16% increase in the demonstration counties and a 8% increase in the comparison group (Table 7.21).

Part of the explanation for the increasing placement days may be the growth in the number of children in Planned Permanent Living Arrangements (PPLA) and in permanent commitment. Children in these categories tend to be those who have been in care for a long time and who are older. In both areas, FCCS experienced much more rapid expansion during the Waiver than did either the demonstration or the comparison groups (Table 7.20).

Consistent with the growth in placement days is the increase in number of children in agency custody (Table 7.20), up by 19% between 1997 and 2000, more than was experienced by the demonstration counties (+10%) or the comparison sites (+13%). This above-average growth rate is influenced by the policy of the juvenile court in Franklin County – the court does not keep custody of unruly/delinquent youth, remanding them instead to FCCS custody; in the other large demonstration site, Hamilton, and some other demonstration counties, such youth remain in court custody and thus are not included in the custody numbers or in the paid placement day counts.

Another part of the placement days story in Franklin County is what is occurring in residential settings. FCCS began the Waiver with the same level of reliance on residential settings as the other study counties, approximately 10%; by the end of 2002, however, FCCS had increased its paid placement days in residential settings to 15% of all placement days, while the demonstration and comparison groups kept fairly steady at 11%. However, this residential growth was not as rapid as the overall growth in placement days (46%), suggesting two dynamics: first, the increase in residential placement days likely stems from children who were already in care at the start of the Waiver; and, second, other types of care appeared to have been more important than residential care in driving the overall increase in placement days. Indeed, Table 7.22 indicates that new admissions to residential placement during the Waiver were less common than they were prior to the Waiver (-24%).

| <b>Table 7.22: Change in Types of Placement Admissions, Pre-Waiver to Waiver, for Franklin County</b> |                                        |                                          |                                                 |
|-------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------|-------------------------------------------------|
| <i>Type of Placement</i>                                                                              | <i>Average # of Admissions 1991-97</i> | <i>Average # of Admissions 1998-2001</i> | <i>% Change in average number of admissions</i> |
| Foster family                                                                                         | 723                                    | 1142                                     | +58 %                                           |
| Residential                                                                                           | 422                                    | 319                                      | -24 %                                           |
| Group care                                                                                            | 123                                    | 242                                      | +96 %                                           |
| Other                                                                                                 | 101                                    | 141                                      | +39 %                                           |
| TOTAL without unpaid placements                                                                       | 1368                                   | 1843                                     | +35 %                                           |
| Unpaid, unlicensed relative and non-relative placements                                               | 1028                                   | 941                                      | -8%                                             |
| TOTAL all placements                                                                                  | 2396                                   | 2784                                     | +16%                                            |

What is growing appears to be use of family foster homes. Table 7.22 shows that during the Waiver, admissions to foster families grew faster than almost any other type of placement, compared to pre-Waiver patterns. (The percentage increase in admissions to group care (+96%) looks large but represents only ¼ as many children as the shift in foster family admissions.) FCCS has made this a deliberate choice: given increasing admissions to out-of-home care, which the agency feels is due to factors largely outside its control, it has consciously sought to shift usage to less restrictive types of placement. As a proportion of total admissions, foster family homes grew from 53% prior to the Waiver, to 62% during the Waiver period.

The growth in foster family care, especially agency homes (as opposed to network homes) reflects several specific FCCS initiatives:

- Enhanced staffing in foster care, including foster care recruitment specialists and staff to visit foster homes, has enabled FCCS to offer more supports for foster families, such as targeted trainings and support groups, and even such things as tickets to local events; and they offer a \$500 incentive payment to any foster parent who finds another foster family who gets licensed.
- FCCS has increased its focus on relative providers, through the statewide Kinship Navigator Program and the agency’s own Kinship program which identifies resources in the community and offers support groups and meetings for kinship providers. What kin especially need is day care, respite, and cash assistance (but

they only get Temporary Assistance to Needy Families (TANF)). Prevention, Retention and Contingency (PRC) helps with clothing, respite, tutoring, summer day camp, and bus passes. The Kinship Program helps them increase their income, or at least stretch it further, and connects them with other community resources. The Kinship program is just two years old. FCCS shifted staff from other areas to build up the Kinship Program, and recently hired a staff person to work with Intake cases.

- The Family-to-Family initiative<sup>12</sup> has grown steadily, gradually spreading across all the FCCS regions. Family team meetings are a standard part of child welfare practice in these areas, and have led to increased placements close to the child’s home (sometimes with relatives, sometimes with friends and other community members).

*Length of Stay in Placement*

Growth in paid placement days can come about through increased admissions to placement and/or through increased length of stay in care. For Franklin County, placement days have increased, apparently as a result of increasing admissions, despite successful efforts to reduce length of stay. Admissions data described above indicates that growing numbers of children entering foster family care likely account for some of the growth in paid placement days. Table 7.23 indicates that length of stay for first admissions is shorter than it would have been without the Waiver. Franklin County has reduced median length of stay for all children in their first placement by nearly a month (-0.98 months). This decline is twice as long as that for all demonstration counties as a whole (-0.40; see Appendix IV-5). FCCS management believes the primary cause of this shortening of stay is the Union agreement, wherein workers receive a bonus for reducing length of stay (and achieving other outcomes). The bonus is awarded across the board if staff overall reach a target level of reduction in length of stay<sup>13</sup>.

| <b>Table 7.23: Median Duration of First Placements in Franklin</b> |                |                                       |                                           |                                  |
|--------------------------------------------------------------------|----------------|---------------------------------------|-------------------------------------------|----------------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>                  | <i># cases</i> | <i>Actual length of stay (months)</i> | <i>Counterfactual length of stay (mo)</i> | <i>Effect of Waiver (months)</i> |
| Any type of exit                                                   | 7,809          | 3.72                                  | 4.70                                      | -0.98*                           |
| Adoption                                                           | 644            | 34.00                                 | 33.16                                     | 0.84                             |
| Reunification                                                      | 4,415          | 2.00                                  | 2.88                                      | -0.88*                           |
| Custody to relative                                                | 1,341          | 5.56                                  | 5.66                                      | -0.10                            |
| Runaway                                                            | 113            | 4.70                                  | 9.12                                      | -4.42                            |

<sup>12</sup> The Family-to-Family program is the extension of the original initiative by the Annie E. Casey Foundation; foundation funds have been replaced by modest grants from ODJFS. See *First Annual Report*, Chapter 2.

<sup>13</sup> It is important to note that in 2003, due to budget cuts, the potential “bonus” is not available.

\* indicates statistical significance

Table 7.23 also shows that, for children exiting to return home (reunification), median length of time in placement has gone down to just 2 months, compared to nearly 3 months without the Waiver. FCCS attributes this change to the high rate of face-to-face contacts; they suggest that the child has more opportunity to express a desire to return home rather than acting out and perhaps running away (although analysis of exit patterns in Table 7.24 suggest a slight increase in runaways). Staff noted that federal officials responsible for outcome monitoring of state child welfare systems have observed that high rates of regular face-to-face contacts appear to be strongly associated with improved outcomes for children and families.

Perhaps most instrumental in helping to reduce length of stay for children entering care after the Waiver began have been the following activities:

- As described above, FCCS has increased its focus on kinship homes. Sometimes relatives take care of the child while custody remains with the PCSA -- first placements with relatives and with non-licensed non-relative caregivers together accounted for 34% of FCCS' first placements during the Waiver period<sup>14</sup>. Increasingly, however, relatives are taking custody, as reflected in the significant increase in the proportion of children in first placements who exit care to live with a relative (Table 7.24 below), compared to what would have occurred in the absence of the Waiver.
- For children in residential placement, FCCS has fairly rigorous review processes. Workers have to obtain senior management approval before they can renew a placement contract for any child. The PCSA has also recently instituted placement reviews of all children in residential placement. In addition, for the past 2-3 years, an experienced FCCS worker has been going to the residential treatment centers to talk with the administrators and the clinical staff about each child's progress, in effect holding the residential centers accountable for providing quick and effective care.

In addition, Tables 6.2 and 6.3 offer some possible explanation for the shortened time in placement, in identifying trends in the demographic composition of the population of children in first placement. Compared to the pre-Waiver baseline period, the placement population in Franklin County is significantly more likely to be infants, male, and white, and significantly less likely to have cognitive or physical disabilities. All these characteristics suggest that (a) placement in a foster family is likely to be more possible, and (b) length of stay is likely to be shorter because of fewer significant demographic barriers.

---

<sup>14</sup> see Appendix V-3.

#### **7.5.4 Shifts in Foster Care Spending**

Not surprisingly, the increase in placement days in Franklin County translates into substantial growth in overall foster care spending. Franklin had one of the steepest increases in foster care spending during the Waiver, with expenditures more than doubling. Part of the increase is attributable to a higher average daily cost of care, \$69 compared to \$61 for demonstration sites as a group and \$55 for comparison counties (Table 7.21). As noted above, the increase results from increased foster family care per diems as well as increased use of more intensive forms of care (residential). However, Franklin's average daily cost of foster care only grew slightly more than other study counties, 43% compared to approximately 40% for the two study groups<sup>15</sup>.

#### **7.5.5 Permanency Outcomes**

Despite its inability to reduce foster care utilization, FCCS has nonetheless taken important steps in the area of permanency. Perhaps the most dramatic changes which have occurred relate to shifts in where children go when they exit foster care. Table 7.24 shows that the Waiver has had a significant effect on exit patterns for children in first placements in Franklin County.

Most notable in the table is the shift away from reunification (although over half the children still exit care to return home – 56.6%). During the Waiver, six percent fewer children exited placement to return home than would have done so without the Waiver. FCCS management believes that this significant decrease may reflect the stance of the Juvenile court. Since the court does not have a placement budget, they do not send some of their youth to the Department of Youth Services (DYS) or to probation only; instead, they remand them to PCSA custody. Typically, reunification is not the plan for these older children who have unruly and delinquent issues. However, Table 6.2 shows no change, between the pre-Waiver and Waiver periods, in the percent of children in first placements who are 12 or older, the typical age of children referred by the Court. Another explanation may be that the increasing use of relatives has meant that those children who might have been reunified in the past are now going to relatives.

Indeed, Table 7.24 shows that the proportion of children exiting to the custody of relatives has increased significantly during the Waiver, by nearly 4%. As discussed above, during the Waiver Franklin County has put in place a Kinship Services Program and designated staff to assist Intake workers in finding relatives, as an alternative to paid foster care placement.

---

<sup>15</sup> Containment of the growth in the average daily cost of foster care may be due to the changes in the population being newly admitted to care, as described above and shown in the tables in Chapter 6.

| <b>Table 7.24: Frequencies of Exit from First Placements in Franklin</b> |                |                 |                         |                         |
|--------------------------------------------------------------------------|----------------|-----------------|-------------------------|-------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>                        | <i># Cases</i> | <i>Actual %</i> | <i>Counterfactual %</i> | <i>Effect of Waiver</i> |
| Any type of exit                                                         | 7809           | 100.00          | 100.00                  | NA                      |
| Adoption                                                                 | 644            | 8.22            | 8.54                    | -0.32                   |
| Reunification                                                            | 4415           | 56.60           | 62.18                   | -5.58*                  |
| Custody to relative                                                      | 1341           | 17.34           | 14.10                   | 3.24*                   |
| Runaway                                                                  | 113            | 1.38            | 0.62                    | 0.76*                   |
| Other                                                                    | 1296           | 16.48           | 14.58                   | 1.90*                   |

\* indicates statistical significance

The decrease in reunification also appears to have translated into a significant increase in the children leaving care for “other” destinations. Some of these children are emancipated (24%) or transferred to institutions; unlike other counties, however, Franklin County has a substantial number of cases categorized as “termination of voluntary agreement.” The county has a strong focus on voluntary agreements. Under the Waiver, because of the cap on Title IV-E funds, Franklin County actively encouraged the use of voluntary placement agreements wherein a parent voluntarily places a child outside the home, often with a relative, without a legal transfer of custody to the agency. When the voluntary agreement is terminated, the child returns to the parent, so FCCS sees these as comparable to reunifications, although the data have not been analyzed in that way.<sup>16</sup>

Perhaps more difficult to explain is the significant increase in the proportion of children running away from foster care placement. Although the figure is significant, the magnitude is small, suggesting that the increase in runaways is not a pervasive issue and may reflect actions by teens remanded to PCSA custody by the court.

Adoption is the only exit destination that did not emerge as significant in Table 7.24. Given the attention which FCCS has focused on adoption activities, FCCS managers found this result to be somewhat surprising. Indeed, Table 7.20 shows a striking increase in the number of children available for adoption subsidy, a measure which serves as a good proxy for adoptions. During the Waiver, FCCS has added supervisors and workers to the Adoption department; it also added two child study inventory workers and a coordinator for sibling visits. The agency has also increased adoption subsidy rates and has put in place post-legal supports, using some PRC and Title XX funds. Overall, FCCS has been very active in the adoption area, but the changes could not be attributed to the county’s participation in the Waiver.

<sup>16</sup> In fact the study team assigned many children, whose placement ended when a voluntary agreement expired, to reunification. There were some children exiting with expired voluntary agreement that were analyzed with the ‘other exit’ These included many documented as discharged to other agencies, third party guardianship and unspecified reasons.

Since FCCS still has a large number of children in placement, permanent commitment has continued to grow during the Waiver. As Table 7.20 indicates, the number of children in protective custody grew by 68% between the 1996-97 baseline and 2002; by contrast, demonstration counties saw a 35% growth and comparison counties, 28%. This may seem somewhat contradictory to the reported high level of activity in adoption, but it may simply reflect the agency's more diligent efforts to move children out of temporary custody and onto the road to adoption. Management staff acknowledged some difficulties with the Juvenile Court not moving children promptly through the legal process. The Court states that, for a brief time in the past few years, it brought in visiting judges to address the backlog. An additional explanation arises from the specifics of the length of stay analysis. Permanent custody and PPLA numbers include many children who were already in care at the start of the Waiver, perhaps in their first placement but maybe in their second or higher placement. The length of stay analysis only includes children entering their first placement during the Waiver, excluding many of those currently in PC or PPLA status.

Franklin County has also seen a very large increase in the number of children in PPLA, much greater than other sites. As noted above, these children likely contributed to the steep increase in paid placement days. FCCS management notes that many of these children could live at home but the court has not been in agreement, because it feels the parents cannot supervise the youth properly because they are working. These children tend to be resistant to adoption, so remain in PPLA until majority. It is important to note that Franklin County has taken some specific steps to expand services and supports in the Independent Living area, especially purchasing more vocational services, and the managed care contractors have recently begun supporting some teens in apartments.

#### *Re-entry to Placement after Reunification*

One of the major concerns of federal and state policy makers has been whether the incentive created by the Waiver to return children home from placement would lead to overly zealous reunifications, which would then fail and the child would return to care. In terms of child safety, it is essential that the new "Waiver behavior" not make children worse off in terms of having to return to placement after being returned to their family of origin. In Year 5 analysis, the study team examined whether the rate of re-entry to placement, and the median length of stay at home prior to re-entry, were any different in the demonstration counties than they would have been without the Waiver. None of the findings were statistically significant, for any of the demonstration counties or overall (see Appendix IV-6). Franklin's numbers show virtually no change, suggesting that the shortened length of stay has not had any negative effects on the likelihood that children returned home will re-enter care.

#### **7.5.6 Conclusion**

Over the five years of the Waiver, FCCS management has carefully cultivated support for its managed care "experiment" and thus for the agency as a whole, using the Waiver both financially and psychologically to generate more flexibility in spending patterns. The

agency has been able to capitalize on flexible Waiver funds to leverage additional new spending on non-foster care board and maintenance, despite facing increasing costs for board and care. In addition, FCCS has reduced median length of stay for children in out-of-home care, often a crucial factor in a child welfare agency's ability to reunify a child. At the same time, the use of relatives as a permanency option for children who cannot return home has grown considerably.

The dilemma in Franklin County is the continuing growth in foster care expenditures, despite much activity to reduce spending through using relatives and less restrictive forms of care. It may be that these efforts directly affected children newly entering care, making their length of stay markedly shorter (and, because of their numbers, reducing median length of stay), but had little impact on those already in care, whose placements likely generate the bulk of foster care expenditures. This would suggest that Franklin County could be more successful in reducing foster care costs by focusing more on the population of children already in foster care, especially the growing numbers of children in PPLA and in permanent custody.

## **7.6 STARK COUNTY PCSA: CASE STUDY**

Stark County, Ohio, encompasses a mix of urban, suburban and rural areas, including the cities of Canton, Massillon and Alliance; only 22% of the land area is rural. The 2000 population of 377,000 is one-fourth children and youth under age 18. Compared to other counties in Ohio, Stark is larger and faces a somewhat higher unemployment rate (6.9% versus 6% for Ohio as a whole), although the poverty rate in 2000 was lower than the state overall, 9.2% compared to 11%. Juvenile crime also appears to be lower than the state rate, 3.9 crimes per 1000 children in the county compared to 5.2. The Children's Services Division (CSD), located within Stark County Department of Job and Family Services (DJFS), provided assistance to 2,355 children in ongoing cases at the end of federal fiscal year 2001, approximately 2.5% of all children under the age of 18 in the county. Stark has slightly more children in ongoing cases than the average for demonstration counties, which rests at 2.0%. (See Appendix V-8)

Stark County CSD entered the Waiver for three reasons: the flexible funding it provided, having a predictable amount of money up front so better planning would be possible, and specifically to increase DJFS' ability to reduce placements and spend funds more efficiently, by spending dollars differently and by stimulating changes in spending by other child-serving agencies in the community. Stark County was one of the first to express interest in the Waiver, even before the Ohio Department of Jobs and Family Services (ODJFS) began actively soliciting county participation.

CSD has focused its Waiver-related activities on three areas. First, the agency greatly increased staff, by over 50%, between 1997 to 2002 (in all of DJFS), and attained the Child Welfare League of America (CWLA) standard for supervisor to staff ratio in child welfare. Management believes that better supervision has allowed funding source to take

a back seat to practice in case decisions (because management now feels that staff are well supervised and thus are following best practice, which includes a cost-benefit perspective). CSD has also greatly increased support personnel for workers (aides), and has added a Community Relations officer and an ombudsperson. A second priority has been to develop tools for supervisors and workers to better monitor their cases, so that out-of-home lengths of stay can be reduced and cases can be closed more quickly; the Quality Improvement unit has been instrumental in this regard. Third, Stark County has sought to build on the existing foundation of strong interagency collaboration. CSD has added to existing collaboration with mental health by establishing the FIRST unit and HOPE unit, which are jointly staffed by PCSA and mental health or substance abuse experts. The FIRST unit (Family Involved Rapid Stabilization Team) is a special unit composed of teams of mental health and DHS workers, established in 1993 to provide short term intensive in-home services. The HOPE unit provides in-house drug and alcohol screening for all clients during their initial assessment. The agency is also doing more family-centered practice and neighborhood-based efforts in collaboration with many other agencies, based on the Annie E. Casey family-to-family model. These activities have enabled Children Services to think differently, finding resources in the community to supplement PCSA-funded activities.

The following case study describes basic operational changes made in Stark County Children's Services Division, shifts in initial interventions for children and families (pre-placement), changes in placement patterns, and shifts in permanency outcomes.

### **7.6.1 Fundamental Changes in Stark CSD Operations**

Interagency collaboration has long been recognized as strength of Stark County. Beginning with a federal grant for a children's mental health Systems of Care initiative, major child-serving agencies have worked well together, under the auspices of the Family Council. Creation of the FIRST unit represented an important PCSA-mental health collaboration, which expanded with the addition in 2000 of the HOPE unit. More recently, the PCSA received minor funding from the state to pursue the Family-to-Family initiative, building family-centered community-based options for caring for children close to their birth homes. Stark County is using Community Evaluation Teams to engage community members in design and implementation.

During the first few years of the Waiver, Stark DHS (now DJFS) underwent several crises, taking its attention away from systemic reform using managed care strategies. Failure of the children's services levy in 1998 (although the renewal passed in 2000) symbolized loss of community support; at the same time, a labor dispute left morale low and turnover high. Leadership changes in 2000, coupled with increased hiring to reduce caseloads, began to turn the agency around and to rebuild the bond between CSD and the community at large.

One particular focus of growth has been quality assurance, as reflected in Table 7.25 below. Although CSD scored in the middle of the demonstration counties on managed care overall and on most of the individual components, in quality assurance it scored

among the highest, reflecting steady attention to enhancing quality throughout the Waiver period. During the Waiver, CSD has gradually added staff to QI unit, for traditional quality control tasks such as monitoring case flow to identify any problem areas, oversight of the use of out-of-home placements, and especially for staff development responsibilities. Most notable changes include: (1) management placed the training department under QI so staff development and training are together; (2) on a regular weekly schedule, case workers can come to QI staff to discuss any issues they have on a case, to get another perspective; (3) DJFS is now writing its own contracts for services (especially placements), including clear expectations for the child; (4) the QI unit recently designated a staff person as responsible for community education, visiting schools and other organizations in the community to provide information about child abuse and neglect and the role of Stark CSD.

| <b>Table 7.25: Managed Care Components in Stark County</b> |              |                              |                           |
|------------------------------------------------------------|--------------|------------------------------|---------------------------|
|                                                            | <b>Stark</b> | <b>Average Demonstration</b> | <b>Average Comparison</b> |
| Managed care index+                                        | 40.4         | 43.6                         | 36.1                      |
| Service array                                              | 4.0          | 6.8                          | 5.8                       |
| Targeting                                                  | 1.0          | 2.0                          | 1.5                       |
| Case management                                            | 6.0          | 5.4                          | 5.1                       |
| Competition                                                | 5.0          | 7.1                          | 4.9                       |
| Financing                                                  | 5.0          | 4.9                          | 2.3                       |
| Utilization review                                         | 6.0          | 6.4                          | 5.6                       |
| Quality assurance                                          | 11.5         | 8.8                          | 7.4                       |
| Data Management                                            | 2.0          | 2.9                          | 2.2                       |

+ Index score is a weighted sum of the components.

### **7.6.2 Prevention and Home-based Intervention Activities**

During the first four years of the Waiver, Stark County CSD experienced very little change in child abuse reports (Table 7.26), a decline of 2 percent compared to larger decreases in both county groups (17% and 42%). Consistent with the steady flow of reports, the agency has seen little shift in the proportion of its open cases that had abuse or neglect allegations – an increase of one percent during the Waiver, contrasting with declines in both county groups. These data are consistent with the assertion that Stark County has maintained its focus on child safety, not broadening its mandate to primary prevention areas as some other demonstration sites have done.

| <b>Table 7.26: Participant Outcomes for Stark County (FFY)</b>         |              |                                                      |                                                   |
|------------------------------------------------------------------------|--------------|------------------------------------------------------|---------------------------------------------------|
|                                                                        | <b>Stark</b> | <b>All<br/>Demonstration<br/>Counties<br/>(n=14)</b> | <b>All<br/>Comparison<br/>Counties<br/>(n=14)</b> |
| Child abuse incidents: 1997                                            | 2972         | 28,503                                               | 21,620                                            |
| Percent change '97-'01                                                 | -2 %         | -17 %                                                | -42 %                                             |
| Percent cases that are abuse/ neglect (versus non-abuse/neglect): 1997 | 86 %         | 80 %                                                 | 75 %                                              |
| Change in percent '97-'00                                              | +1           | -5                                                   | -5                                                |
| Percent children served in-home (versus in placement): 1997            | 70 %         | 75 %                                                 | 47 %                                              |
| Change in percent '97-'01                                              | -1           | +2                                                   | -2                                                |
| Children in custody at year end:1997                                   | 754          | 6,387                                                | 4,102                                             |
| Percent change '97-'00                                                 | +15 %        | +10 %                                                | +13 %                                             |
| New children available for adoption subsidy: 1997                      | 92           | 565                                                  | 296                                               |
| Percent change '97-'00                                                 | 0 %          | +40 %                                                | +32 %                                             |
| Children in permanent commitment at year end: 1997                     | 222          | 1227                                                 | 853                                               |
| Percent change '97-'00                                                 | +34 %        | +35 %                                                | +28 %                                             |
| Children in PPLA at year end: 1997                                     | 170          | 1013                                                 | 535                                               |
| Percent change '97-'00                                                 | -25 %        | +4 %                                                 | +28 %                                             |

Perhaps related to the consistent concern with abuse and neglect incidents, the agency witnessed virtually no change from serving families in home rather than in placement, a decrease of 1% between 1997 and 2001. This shift contrasts slightly with the growth in demonstration counties as a group. Although this figure is not a perfect reflection of differences in how families and children are served in the counties – those in the “placement” category may have spent only very short periods in out-of-home care during the year, and the figures do not control for case mix – it nonetheless suggests heightened attention to keeping children safe, even when it means removal from home. This is somewhat surprising, given the establishment of the FIRST unit, which focuses on family preservation. However, two factors may limit FIRST unit’s ability to impact the numbers: initially it focused on reunification, only shifting attention to family preservation in the

last two years of the Waiver; and workers report that the unit is typically filled to capacity, so that all cases which might benefit from the intensive services are not able to be referred.

The small increase in cases with abuse or neglect is mirrored by a significant percentage increase in the proportion of children in their first placement who had a report of abuse or neglect, rising to 93% of all children in first placement (Appendix IV-2); this suggests that abuse/neglect cases are increasingly likely to go to placement. Management thinks that this may reflect the natural conservatism in Stark County, coupled with the relative inexperience of many case workers, making them hesitant to leave children at risk in their homes.

### **7.6.3 Increased Spending on Non-Placement Services**

In Years 2 through 5 of the Waiver, Stark County CSD experienced annual growth in all other child welfare services (excluding foster care board and maintenance) of at least 14%, for a cumulative increase of 98% during the Waiver period. This overall growth was substantially higher than the average for both the demonstration sites and the comparison sites (Table 7.27). The growth occurred primarily in spending on county staff salaries and administration (+99%), bringing it to 88% of 2002 non-placement spending and primarily reflecting the addition of many staff between 1997 and 2002<sup>17</sup>. The new staff have included caseworkers, supervisors and support staff, leading to smaller caseloads and smaller staff/supervisory ratios. Family support and community-based services also grew (+169%), but did not materially affect the overall rate of growth because by 2002 it constituted only 6% of non-placement spending (see tables in Appendix I). The per diem cost of foster care case management by the county also increased substantially during the Waiver period, from about \$10.00 to over \$18.00 a day per child.

Taking a slightly different perspective on non-placement spending, Table 4.12 above shows that Stark County's commitment went beyond the flexibility afforded by the Waiver. The PCSA generated \$1.275 million from the Waiver that was available to spend in areas other than foster care board and maintenance, representing 1% of its total child welfare expenditures during the Waiver period. However, the agency allocated 13 times that amount in new spending on non-placement activities during the five years of the Waiver, slightly less than average for demonstration counties (16%) but much more than was typical in the comparison sites (8%). Some of these new monies appear to have come from TANF, somewhat more available to the PCSA because it is part of a combined DJFS structure.

---

<sup>17</sup> In all of DJFS, staff increased from about 400 to over 600 between 1997 and 2002 (interview with management, February 2002).

| <b>Table 7.27: Fiscal Outcomes for Stark County*</b>                                                                           |              |                                    |                                 |
|--------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------|---------------------------------|
|                                                                                                                                | <b>Stark</b> | <b>All Demonstration Counties+</b> | <b>All Comparison Counties+</b> |
| Average number of placement days purchased in 1996-1997                                                                        | 257,392      | 1,937,997                          | 1,302,775                       |
| Number of placement days purchased in 2002                                                                                     | 270,944      | 2,245,630                          | 1,407,211                       |
| % change*                                                                                                                      | 5 %          | 16 %                               | 8 %                             |
| Average percent paid placement days that were residential in 1996-97                                                           | 1 %          | 11 %                               | 10 %                            |
| Percent paid placement days that were residential in 2002                                                                      | 4 %          | 11 %                               | 11 %                            |
| Change in %                                                                                                                    | 3 %          | 0 %                                | 1 %                             |
| Average daily cost of foster care in 1996-1997                                                                                 | \$31.25      | \$42.65                            | \$37.69                         |
| Average daily cost of Foster care in 2002                                                                                      | \$48.33      | \$59.72                            | \$53.71                         |
| % change*                                                                                                                      | 55 %         | 44 %                               | 51 %                            |
| Foster care board & maintenance expenditures in 1996-97 \$(000)                                                                | \$8,234      |                                    |                                 |
| Foster care board & maintenance expenditures in 2002 \$(000)                                                                   | \$13,095     |                                    |                                 |
| % change*                                                                                                                      | 59 %         | 39 %                               | 58 %                            |
| All other child welfare expenditures in 1996-97 \$(000)                                                                        | \$6,597      |                                    |                                 |
| All other child welfare expenditures in 2002 \$(000)                                                                           | \$13,079     |                                    |                                 |
| % change*                                                                                                                      | 98 %         | 77 %                               | 46 %                            |
| Total increase in all other child welfare expenditures over inflation-adjusted baseline as % of total foster care expenditures | 13 %         | 16 %                               | 8 %                             |

\*Demonstration and comparison county figures show the average of each available county's change in the measure.

+ Placement days statistics are based on data from all 28 counties; foster care expenditures are based on 11 demonstration counties and 12 comparison counties; and other child welfare expenditures are based on 10 demonstration counties and 11 comparison counties.

#### 7.6.4 Changes in Placement Use

Since the Waiver began, Stark County CSD has increased paid placement days by 5%, comparable to an 8% growth in the comparison sites but less than the 16% average for demonstration sites (Table 7.27). That the increase was not sharper is reportedly due to the influx of TANF funds used for services to prevent placement. County managers believe that the needs of families are becoming more severe, as evidenced by increase in use of residential treatment and therapeutic foster care, and the fact that therapeutic elements have been added to group care options. Indeed, the proportion of paid placement days that are residential is on the increase (+3%), although not as rapidly as placement days overall. And residential placement remains very low compared to other study sites, only 4% compared to 11% in both demonstration and comparison groups. Consistent with the low usage overall, residential placements are rare among children in their first placement, only 4 of 1603 cases, or 1/4<sup>th</sup> of a percent of cases examined in the analysis of length of stay (see Appendix Table IV-3).

Increases in the number of paid placement days can come through increased admissions to placement and through increased length of stay in care. Analysis of Stark's admissions data shows a 16% decline in new admissions to paid placement between the pre-Waiver and Waiver periods, in most types of placement (Table 7.28). The use of foster family care remains the highest, at 79% of all admissions to paid placement, even though it declined during the Waiver by 17%. The overall decrease in admissions may be somewhat affected by the use of FIRST unit as family preservation, even though capacity is limited and not all cases deemed appropriate can be served, and there might have been changes in the case mix of children at risk of placement.

| <b>Table 7.28: Change in Types of Placement Admissions, Pre-Waiver to Waiver, for Stark County</b> |                                        |                                          |                                                 |
|----------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------|-------------------------------------------------|
| <i>Type of Placement</i>                                                                           | <i>Average # of Admissions 1991-97</i> | <i>Average # of Admissions 1998-2001</i> | <i>% Change in average number of admissions</i> |
| Foster family                                                                                      | 325                                    | 270                                      | -17 %                                           |
| Residential                                                                                        | 1                                      | 2                                        | +75 %                                           |
| Group care                                                                                         | 35                                     | 23                                       | -34 %                                           |
| Other                                                                                              | 46                                     | 48                                       | +5 %                                            |
| TOTAL paid placements                                                                              | 407                                    | 343                                      | -16 %                                           |
| Relatives & non-licensed non-relatives                                                             | 186                                    | 180                                      | -3 %                                            |
| TOTAL placements                                                                                   | 593                                    | 523                                      | -12 %                                           |

Residential and group care represent a small proportion of all admissions. Stark PCSA managers attribute the consistently low use of residential and group care to the extensive use of team conferencing methods, both internal to the agency and across agencies, using the Creative Community Options (CCO) process.

Overall, children in their first placement (Table 6.4) are significantly less likely to be in group homes than they would be without the Waiver; this is also true for children in foster homes. By contrast, children are more likely under the Waiver to spend their first placement in a detention facility or a hospital, or in non-licensed non-relative care. The latter finding may reflect the increased attention given to neighborhood-centered and community-based care; this may grow over time as the Community Evaluation Teams become more active (see above).

In terms of changes in length of stay in care, Stark’s overall median length of stay for children in first placements was significantly longer than it would have been without the Waiver (Table 7.29) – nearly 3 months longer. This increase is particularly true for children exiting to return home and those going to the custody of relatives – significant increases of more than four months for reunification and more than three months for relative custody. Managers offer two possible explanations for this apparently undesirable outcome. First, they report that the court is slow to respond to PCSA motions for termination of custody. A child who returns home or goes to a relative may wait up to 90 days before PCSA custody is terminated; during this time, the case is in Protective Supervision. Even when the agency tells the court that the child has already been home or with a relative for 30 days, the court still insists on waiting until the next scheduled SAR before taking legal action. Second, the increased length of stay may reflect the high number of new and relatively inexperienced caseworkers, who are hesitant to return children home if any risk exists. This tendency is reinforced by the relatively conservative nature of the county, where child safety is the predominant consideration.

**Table 7.29: Median Duration of First Placements in Stark**

| <i>Type of Exit from 1<sup>st</sup> placement</i> | <i># cases</i> | <i>Actual length of stay (months)</i> | <i>Counterfactual length of stay (mo)</i> | <i>Effect of Waiver (months)</i> |
|---------------------------------------------------|----------------|---------------------------------------|-------------------------------------------|----------------------------------|
| Any type of exit                                  | 1603           | 11.06                                 | 8.20                                      | 2.86*                            |
| Adoption                                          | 253            | 31.88                                 | 30.28                                     | 1.60                             |
| Reunification                                     | 747            | 7.74                                  | 3.38                                      | 4.36*                            |
| Custody to relative                               | 355            | 10.92                                 | 7.58                                      | 3.34*                            |
| Runaway                                           | 14             | 7.4                                   | 11.12                                     | -4.28                            |

\* indicates statistical significance

### 7.6.5 Shifts in Foster Care Spending

Not surprisingly, the increase in paid placement days has translated into budget growth in Stark County PCSA. Foster care spending increased in all but the first year of the Waiver, for a total increase of 59% since the Waiver began, above the average for the demonstration sites and comparable to the comparison counties (Table 7.27). Not only did paid placement days increase, but the average daily cost of foster care grew substantially, from \$32.02 prior to the Waiver to \$48.33 in 2002, an increase of 51% (Table 7.27 above).

The growth in placement days has directly affected how much IVE revenue was available for reinvestment. As discussed above, Stark PCSA generated only 1% of its total child welfare budget from the Waiver, creating little new flexibility to move in innovative directions.

### 7.6.6 Permanency Outcomes

Despite its inability to reduce foster care utilization, Stark County PCSA has nonetheless witnessed some changes in the area of permanency. Perhaps the most notable change is the 25% decrease in the number of children in PPLA at the end of 2000 compared to 1997 (Table 7.26). In hiring new staff, Stark CSD was able to reduce caseloads, which reportedly enabled workers to deal with some of the backlog in PPLA and permanent commitments awaiting adoption. Table 7.30 shows a non-significant increase in children exiting foster care to go to relatives, which reportedly is where PPLA children often go in Stark County – part of the PCSA’s effort to expand use of relatives.

| <b>Table 7.30: Frequencies of Exit from First Placements in Stark</b> |                |                 |                         |                         |
|-----------------------------------------------------------------------|----------------|-----------------|-------------------------|-------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>                     | <i># Cases</i> | <i>Actual %</i> | <i>Counterfactual %</i> | <i>Effect of Waiver</i> |
| Any type of exit                                                      | 1603           | 100             | 100                     | NA                      |
| Adoption                                                              | 253            | 16.12           | 15.98                   | 0.14                    |
| Reunification                                                         | 747            | 45.92           | 46.34                   | -0.42                   |
| Custody to relative                                                   | 355            | 21.52           | 19.92                   | 1.60                    |
| Runaway                                                               | 14             | 0.90            | 0.28                    | 0.62*                   |
| Other                                                                 | 234            | 15.52           | 17.46                   | -1.94                   |

\* indicates statistical significance

Although the results are noteworthy in PPLA, with Stark posting a large decrease while demonstration and comparison groups faced increases, the same is not true for adoption. Despite adding staff to address the backlog of permanent commitments, the county witnessed no substantial changes in children eligible for adoption subsidies – the rate remained flat during the Waiver, in contrast to the growth in both demonstration and

comparison groups (Table 7.26). Similarly, analysis of exit patterns found no significant shift in the proportion of children in first placements during the Waiver who exited care to be adopted (Table 7.30), suggesting that the Waiver did not provide Stark with any extra boost to adoption beyond what the comparison counties experienced in response to AdoptOhio and ASFA requirements.

Table 7.30 also shows a significant increase in children running away from their first placement. The numbers are small – slightly more than half a percent (0.62) more children ran away than would have done so without the Waiver. County management felt that most of these children were likely runaways from the group homes, probably unruly/delinquent youth referred by the court, often with substance abuse problems. Table 6.2 offers some support for this thesis, indicating that Stark County had more 5-13 year olds in first placements during the Waiver than prior to the Waiver. Stark County management also noted that court practice may be a factor: after a child has been AWOL for 30 days, the PCSA initiates termination of custody, standard practice in Ohio; however, by the time a court hearing is set, 90 days may have passed since the child ran away. To address this delay and other issues with the court, Stark CSD has recently begun participating in two initiatives – a diversion program for first-time juvenile offenders, and use of CCO meetings to review all cases to assure appropriate placement settings.

Although the numbers are not statistically significant, the reduction in exits to “other” may shed some light on the dynamics of children exiting their first foster care placement. Stark case workers appear to frequently use the FACSIS code of “judicial determination” as the reason for removal from placement, although practice evidently varies a great deal. Cases so coded may include situations when the court rules against the PCSA’s recommendation or even cases where the court agrees with the PCSA to terminate custody. In actual fact, these cases may end in reunification, custody to relative, or some other specific exit type, but FACSIS does not have the information. Such data inconsistency jeopardizes the ability of management to systematically assess program performance and appropriately respond to improve services.

#### *Re-entry to placement after reunification*

One of the major concerns of federal and state policy makers has been whether the incentive created by the Waiver to return children home from placement would lead to overly zealous reunifications, which would then fail and the child would return to care. In terms of child safety, it is essential that the new “Waiver behavior” not make children worse off in terms of having to return to placement after being returned to their family of origin. In Year 5 analysis, the study team examined whether the rate of re-entry to placement, and the median length of stay at home prior to re-entry, were any different in the demonstration counties than they would have been without the Waiver. None of the findings were statistically significant, for any of the demonstration counties or overall (see chapter 6 write-up and appendix for numbers). This pattern bears watching in the future, as the agency focuses more strongly on reducing placement utilization.

### **7.6.7 Conclusion**

Overall, Stark County Children's Services Division has had an uneven trajectory during the Waiver. The lack of consistent direction throughout the Waiver period appears to have led to very mixed results; many initiatives begun in the third and subsequent years of the Waiver – increased staffing levels, quality assurance enhancements, etc. – have likely not had sufficient time to show effects on child and family outcomes. This county offers a good example of the difficulties inherent in achieving systemic reform at a time of staffing and leadership challenges.

## **7.7 CLARK COUNTY PCSA: CASE STUDY**

Clark County is located in the west central part of the State. The population of the County is about 144,000, with just under a half of that living in the County's largest town, Springfield. The County population has been declining slowly since 1970. The unemployment rate in January 2003 was higher than the State average, 8% versus 6% State average. Clark County's poverty rate is about the same as the State average: 10.7% in Clark versus 11.0% State average in 2000. Teen birth rates and out of wedlock birth rates are higher than the State average, and juvenile crime is about the same as State average. Clark County Family and Children Services, part of a quadruple combined Department of Job and Family Services, provided services to 861 children in ongoing cases at the end of federal fiscal year 2001. This figure represents approximately 2.4% of all children under the age of 18 in the county. Compared to the average number of children in ongoing cases in other demonstration counties, which stands at 2.0%, Stark County is slightly above average. (see Appendix V-8)

Prior to entering the Waiver, Clark County had a high number of children in placement, limiting the agency's ability to shift funds to early intervention and prevention services. The agency entered the Waiver for several reasons: to develop services specific to the needs of the Clark County community, to continue to support the family stability principles that include front-loading services, and because administrators believed they could benefit from the cost neutrality formula. The Director of Children's Services had a clear vision of the direction in which she wanted to go: to move from a punitive system to one that works with families to strengthen them and enable them to care for their children. Management believed that achieving this vision would involve enhancing a focus on providing comprehensive wraparound services and working collaboratively with other community agencies, both on an individual case level and on a programmatic level.

Clark County Family and Children Services (CCFCS) viewed the Title IV-E Waiver as integral to a whole series of reform efforts tied to shifting the focus of the agency toward a family-friendly system, where money follows services, rather than where services follow money. The Waiver allowed the agency the flexibility to support family stability principles and to participate vigorously in interagency collaborative efforts in the community.

Since the implementation of the Waiver, CCFCS reports having focused on (1) the development and enhancement of in-home services and supportive services, (2) the expansion of relative and kinship placements through offering supportive services, (3) the enhancement of community collaborative efforts to prevent children from entering the child welfare system and to generally meet the needs of the children and families in Clark County, and (4) enhancing the partnership with the Clark County Juvenile Court.

The following case study describes basic operational changes made in CCFCS, shifts in initial interventions for children and families (preventing placement), changes in placement patterns, and shifts in permanency outcomes.

### **7.7.1 Fundamental Changes in CCFCS Operations**

CCFCS leadership reports being focused emphatically on doing what it takes to address the problems of children and families in the community. Leadership is also credited with fostering an increase in community partnering and collaboration to develop needed services and resources. Clark is categorized as strong in its collaborative relationship with other child-serving entities. Relationships with the juvenile court and with mental health have remained good since the Waiver began, and interagency relationships, including the functioning of the Family and Children's First Council, are viewed as strong.

These relationships, and the perception of CCFCS by other community agencies, have strengthened over the course of the Waiver. Other community agencies view the CCFCS as taking the lead in the commitment to family stability principles, as being more flexible and willing to "do what it takes" to help families, as being more family friendly in its operations, and as fostering a community participatory decision-making process around what is best for children and families. These perceptions seem directly related to the CCFCS' ability to use Waiver funds flexibly.

The flexible funding available through the Title IV-E Waiver has been used in a variety of ways to support interagency initiatives, including funding services for interagency children and funding preventive social work in the schools. One major effort that occurred during the Waiver concerned the Juvenile Court. CCFCS was able to save Waiver funds through an agreement with the Court, and to commit some of those saved funds to support court placements. The Court agreed to serve unruly/delinquent youth that the PCSA had been serving before the Waiver, and was able to receive Title IV-E board and maintenance reimbursement for foster care for these children outside the Waiver. As a result, CCFCS had additional funds available through the Waiver that did not need to be spent on foster care for unruly/delinquent youth. A portion of these funds was paid to the Juvenile court for the local share of the foster care costs for these youth.

Agency administrators noted that a side benefit to the interagency process in Clark County has been that other agencies in the community have become aware of how complex child welfare cases are, and have realized that removal is not always in the best interests of the child.

On the managed care index developed for the Process Study, CCFCS has made moderate use of managed care strategies in its internal reform activities (Table 7.31), ranking at the midpoint among the evaluation counties.

| <b>Table 7.31: Managed Care Components in Clark County</b> |              |                              |                           |
|------------------------------------------------------------|--------------|------------------------------|---------------------------|
|                                                            | <b>Clark</b> | <b>Average Demonstration</b> | <b>Average Comparison</b> |
| Managed care index+                                        | 41.3         | 43.6                         | 36.1                      |
| Service array                                              | 2.0          | 5.8                          | 6.8                       |
| Targeting                                                  | 1.0          | 2.0                          | 1.5                       |
| Case management                                            | 5.0          | 5.4                          | 5.1                       |
| Competition                                                | 5.0          | 7.1                          | 4.9                       |
| Financing                                                  | 4.7          | 4.9                          | 2.3                       |
| Utilization review                                         | 11.0         | 6.4                          | 5.6                       |
| Quality assurance                                          | 6.0          | 8.8                          | 7.4                       |
| Data Management                                            | 3.0          | 2.9                          | 2.2                       |

+ Index score is a weighted sum of the components.

CCFCS has given less systematic attention to service array, targeting, and quality assurance than have other demonstration counties, but has made a significant commitment to utilization review. CCFCS scored substantially higher on utilization review than did the demonstration counties or the comparison counties on average. Clark is one of four counties, 2 demonstration and 2 comparison, to have achieved the high score of 11 in utilization review. Clark County conducts both a pre-placement review and monthly case reviews of all placements. The pre-placement reviews, which existed before the Waiver began, are done by the Family Stability Committee, an interagency committee. The Committee initially worked with others in the community to identify and provide resources to avoid placement. Currently, the Committee also focuses heavily on preventing disruption of placement. CCFCS supervisors conduct the monthly placement reviews.

Early in the demonstration, CCFCS attempted to become more competitive with network foster care, by increasing the number of agency foster homes through increasing the rates paid to these homes. Increased rates and recruitment efforts, however, did not succeed in increasing the number of agency homes. Other initiatives to increase competition have included efforts to develop preferred provider arrangement for non-agency, out-of-home

care. These efforts have not been fully implemented to date, although CCFCS is going to use the ODJFS model contract, designed to hold providers more accountable. However, the agency has added performance standards to its wraparound services contract, as well as all other CCFCS contracts.

### **7.7.2 Development of Diversion, Prevention and Home-Based Services**

Between 1997 and 2001, Clark County experienced a 48% decrease in child abuse incidents (Table 7.32). All demonstration counties had a 17% decrease in incidents, while comparison counties had a 42% decrease in incidents. The number of incidents is typically a function of the screening process as well as alternative service availability. Clark County's decreases may be attributable to tightened screening procedures made possible by the availability of newly developed alternative social services in the community.

CCFCS changed its screening procedures early in the demonstration in order to decrease pressure on intake. They take fewer lice cases (these cases are usually referred to "Lice Busters" program, a contracted service through the Clark County Combined Health District) and screen out more truancy cases than before the Waiver. The screeners will make collateral calls, and will make home visits on occasion, to collect more information if needed to determine whether an investigation should be undertaken. Since the agency had been criticized in the community in the past for "not doing enough," they improved their screening process, so that screeners collect more information in order to make a better decision about the need for agency involvement. They also make referrals to other agencies as part of the screening process.

The agency developed diversion and early intervention services that can be offered to families to prevent the occurrence of abuse and neglect, to reduce the need to take children into custody, and to reduce the length of stay. These services have included social workers in the schools, wraparound services through the Family Stability Unit, parent aides, respite care, and supportive services for kinship placements. These services have also been used extensively to stabilize placements at risk of disruption, reducing the number of traumatic moves a child may experience. Other community agencies lauded the increased willingness of the CCFCS to "do whatever it takes" to support families. Particularly noted was the use of parent aides to support family functioning. For example, parent aides are used to make sure children get to school on time, and to provide in-school supports. CCFCS is viewed as encouraging the community and families to be involved in decision-making regarding children and families and to seek consensus in these decisions.

| <b>Table 7.32: Participant Outcomes for Clark County</b>                             |              |                                                      |                                                   |
|--------------------------------------------------------------------------------------|--------------|------------------------------------------------------|---------------------------------------------------|
|                                                                                      | <b>Clark</b> | <b>All<br/>Demonstration<br/>Counties<br/>(n=14)</b> | <b>All<br/>Comparison<br/>Counties<br/>(n=14)</b> |
| Child abuse incidents: 1997 number                                                   | 944          | 28,503                                               | 21,620                                            |
| Percent change '97-'01                                                               | -48%         | -17%                                                 | -42%                                              |
| Percent cases that are abuse/ neglect<br>(versus non-abuse/neglect): percent<br>1997 | 77%          | 80%                                                  | 75%                                               |
| Change in percent '97-'00                                                            | -11          | -5                                                   | -5                                                |
| Percent children served in-home<br>(versus in placement): percent 1997               | 73%          | 75%                                                  | 78%                                               |
| Change in percent '97-'01                                                            | -2           | +2                                                   | -3                                                |
| Children in custody at year end:1997<br>number                                       | 251          | 6,387                                                | 4,102                                             |
| Percent change '97-'00                                                               | 6%           | +10%                                                 | +13%                                              |
| New children available for adoption<br>subsidy: 1997 number                          | 16           | 565                                                  | 296                                               |
| Percent change '97-'00                                                               | 169%         | +40%                                                 | +32%                                              |
| Children in permanent commitment at<br>year end: 1997 number                         | 66           | 1227                                                 | 853                                               |
| Percent change '97-'00                                                               | 29%          | +35%                                                 | +28%                                              |
| Children in PPLA at year end: 1997<br>number                                         | 41           | 1013                                                 | 535                                               |
| Percent change '97-'00                                                               | -41%         | +4%                                                  | +28%                                              |

In 1997, 77% of the cases served were abuse/neglect cases, and this percentage had dropped 11 percentage points by 2001. Compared to the demonstration and comparison groups, Clark County shifted much more away from abuse/neglect cases during the Waiver. While Clark County initially focused on screening out inappropriate cases to reduce pressure on intake, administrators acknowledge that the improved screening process has caused them to screen in more “at-risk” cases than in the past, in hopes of preventing abuse or neglect.

### *Increased Capacity to Serve Families Quickly and Effectively*

In spite of CCFCS efforts to provide services to prevent placement, the proportion of children served in their own homes decreased slowly and steadily over the course of the Waiver, from 73% in 1997 to a low of 66% in 2000; it then rebounded again to reach 71% in 2001. This percentage is somewhat lower than the 2001 average for demonstration and comparison counties (77% and 75%, respectively). The number of children in custody at the end of 2000 increased by 6% since 1997, signifying a modest overall increase in the number of children in care at any given time, compared to the demonstration county average increase of 10% and the comparison county average increase of 13%.

Since the Waiver began, the agency has increased the overall number of caseworkers and other support staff, expanding its capacity to serve families more quickly. Spending on staff and related administrative expenditures has increased 60% since the 1996-97 baseline period (Appendix Table I-4), placing it sixth among demonstration counties and higher than all but two comparison counties.

Staffing increases over the past several years have been part of the case management restructuring and enhancement of services. The county shifted toward a multiple response model of intake, where serious neglect and physical or sexual abuse cases are referred to a rapid response team. All other cases go to regular intake. Each intake unit is paired with an ongoing unit to comprise a “superteam,” which results in better coordination between intake and ongoing, better distribution of the workload, and better communication. The agency has also enhanced its Family Stability Unit, which provides intensive, short-term placement prevention and reunification services, and places social workers in the elementary schools.

### *Fiscal Shift to Non-Placement Services*

Between the 1996-97 baseline period and 2002, Clark County experienced a 106% growth in all other child welfare (non-board and care) expenditures, growing from \$3.2 million to \$6.5 million (table 7.33). Non-board and care costs increased each year throughout the period. This overall increase contrasts with a 77% increase for all demonstration counties and a 46% increase for all comparison counties. As noted above, County staff costs, comprising the largest share of the non-board and care expenditures, increased by 60% between the baseline period and 2002, increasing from \$1.5 million to \$2.9 million. This level of increase reflects both casework staff and family stability staff providing prevention services in schools and services to prevent or stabilize placement, or to stabilize reunification.

Non-foster care contract costs increased from a 1996-97 baseline level of \$187,000 to more than \$1 million in 2002, an increase of over 450%. These include contracts for parent aides, psychological evaluations, and wraparound services. Similarly, adoption subsidy and adoption contract costs increased over 400% during the same period (Appendix II).

The unit cost of county staff for foster care case management activities increased from \$10 in 1997 to \$21 in 2002, an increase of 120%. This represents the third largest increase of the 28 evaluation counties, and likely reflects the increased attention the agency is placing on placement stability and support. The percentage of direct service time spent on foster care activities has varied somewhat over the years, but hasn't changed significantly over the course of the demonstration, beginning with 36% of time in 1996, and ending with 39% of time in 2002. (See Appendix II.) In spite of increased efforts to divert and prevent out of home care, these percentages have not changed much over the course of the demonstration. Again, this is probably due to the increased emphasis the agency has placed on placement stability while in care.

When the growth in all other child welfare expenditures is viewed in the context of the County's total child welfare expenditures, Clark County had the second highest growth in all other child welfare expenditures over the inflation-adjusted baseline. As a percent of total expenditures, CCFCS increased other child welfare spending by 21%, compared to 16% average growth among demonstration counties and a 8% average growth among comparison counties. It is important to note that a portion of the growth appears to have been financed with flexible Waiver revenues. Specifically, the County earned close to \$3 million from Title IV-E through the Waiver that was not used for foster care. This amount, equal to 6% the total new spending for non-foster care activities over the course of the Waiver, was supplemented by local revenues and PRC funds. Clark County's use of non-Waiver revenue sources to fund new non-board and care services has been higher than average among the demonstration counties (16%), and places Clark second in new spending on other child welfare activities, as a proportion of total child welfare expenditures (see table 4.14).

| <b>Table 7.33 Fiscal Outcomes for Clark County</b>                                                                       |              |                                    |                                 |
|--------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------|---------------------------------|
|                                                                                                                          | <b>Clark</b> | <b>All Demonstration Counties+</b> | <b>All Comparison Counties+</b> |
| Average number of placement days purchased in 1996-1997                                                                  | 92,959       | 1,937,997                          | 1,302,775                       |
| Number of placement days purchased in 2002                                                                               | 74,398       | 2,245,630                          | 1,407,211                       |
| Percent change*                                                                                                          | -20%         | 16%                                | 8%                              |
| Average percent paid placement days that were residential in 1996-97                                                     | 10%          | 11%                                | 10%                             |
| Percent paid placement days that were residential in 2002                                                                | 9%           | 11 %                               | 11 %                            |
| Change in percent                                                                                                        | -1%          | 0%                                 | 1%                              |
| Average daily cost of foster care in 1996-1997                                                                           | \$40.94      | \$42.65                            | \$37.69                         |
| Average daily cost of Foster care in 2002                                                                                | \$61.28      | \$59.72                            | \$53.71                         |
| Percent change*                                                                                                          | 50%          | 44%                                | 51%                             |
| Foster care board & maintenance expenditures in 1996-97 \$(000)                                                          | \$3,806      |                                    |                                 |
| Foster care board & maintenance expenditures in 2002 \$(000)                                                             | \$4,559      |                                    |                                 |
| Percent change*                                                                                                          | 20%          | 39%                                | 58%                             |
| All other child welfare expenditures in 1996-97 \$(000)                                                                  | \$3,177      |                                    |                                 |
| All other child welfare expenditures in 2002 \$(000)                                                                     | \$6,539      |                                    |                                 |
| Percent change*                                                                                                          | 106%         | 77%                                | 46%                             |
| Total increase in all other child welfare expenditures over inflation-adjusted baseline as percent of total expenditures | 21%          | 16%                                | 8%                              |

\*Demonstration and comparison county figures show the average of each available county's change in the measure.

+ Placement days statistics are based on data from all 28 counties; foster care expenditures are based on 11 demonstration counties and 12 comparison counties; and other child welfare expenditures are based on 10 demonstration counties and 11 comparison counties.

### **7.7.3 Supporting Families in Order to Reduce Length of Stay and Return Custody to Families**

Through 2002, CCFCS had one of the largest decreases in paid placement days among the demonstration counties – 20%. This decrease compares with the demonstration average growth rate of 16% and the comparison county average growth rate of 8%. With its focus on identifying and providing appropriate services quickly through its Family Stability Unit, the increase in use of unpaid relative caregivers, the development of alternative wraparound services to support intact families, relative placements, and foster placements, CCFCS has substantially decreased the number of paid placement days since the beginning of the Waiver.

Largely due to the Title IV-E court agreement, the percentage of paid placement days that were residential decreased by 1% over the course of the demonstration, whereas the percentage of residential days stayed the same across all demonstration counties as a group, and increased 1% in the comparison counties. The pre-Waiver average number of children admitted to residential care was 16, versus the post-Waiver average of 15 (Table 7.34).

Efforts have been made to make more use of relative placements, and to support those placements better, resulting in an increase of 75% between the pre-Waiver and Waiver period (from an average of 16 between 1991 and 1997 to an average of 23 between 1998 and 2002). However, at the same time there was a decrease in the average number of children placed with non-licensed non-relatives. Hence the overall change in the average number of children placed in unpaid, unlicensed placements increased a more modest 48%. When relatives are used as caregivers, the relatives are typically given custody of the children and are offered wraparound services in the home if needed.

Reductions in paid placement days are possible through reduced admissions to placement and through shortening lengths of stay in care. In terms of admissions to paid placements, Clark County experienced a 35% increase in paid placement admissions from pre-Waiver averages (1991-1997) to post-Waiver averages (1998-2002) (Table 7.34).

| <b>Table 7.34: Change in Types of Placement Admissions, Pre-Waiver to Waiver, for Clark County</b> |                                        |                                          |                                                 |
|----------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------|-------------------------------------------------|
| <i>Type of Placement</i>                                                                           | <i>Average # of Admissions 1991-97</i> | <i>Average # of Admissions 1998-2001</i> | <i>% Change in Average Number of Admissions</i> |
| Foster family                                                                                      | 98                                     | 134                                      | +36%                                            |
| Residential                                                                                        | 16                                     | 18                                       | +12%                                            |
| Group care                                                                                         | 5                                      | 3                                        | -45%                                            |
| Other                                                                                              | 17                                     | 29                                       | +65%                                            |
| TOTAL paid placements                                                                              | 136                                    | 184                                      | +35%                                            |
| Unpaid, unlicensed relative and non-relative placements                                            | 16                                     | 23                                       | +48%                                            |
| TOTAL all placements                                                                               | 152                                    | 207                                      | +34%                                            |

*Changes in Length of Stay in Out-of-Home Care*

The Year 5 analysis showed no statistically significant difference between overall length of stay in Clark County from what would have been expected without the Waiver (see Table 7.35), indicating that thus far the analysis can detect no evidence that Clark has been able to use the Waiver to systematically shorten length of stay in care.

The overall decrease in placement days, while not reflected in the length of stay analysis, likely reflects shorter lengths of stay in foster care and could be attributable to the agreement with the court. In the past, the court was very cautious about returning unruly/delinquent children referred by the court for placement services to their homes, resulting in extended lengths of stay. With the IV-E court agreement, and fiscal incentives built into the court's contract, the court is encouraged to return custody to the parents in a timely manner. Before the Waiver, the court population of unruly/delinquent youth comprised up to 25% of children in placement and used about 45% of placement funds. That problem has virtually disappeared with the agreement, and the court has become an activist in developing alternative programs for youth.

Though not statistically significant, there is some weak evidence that Clark may have decreased the median duration of exits to relatives from what would have been expected without the Waiver by almost 3 months (-2.94 months). The median duration of exits resulting in custody to relatives is shorter than the average of all demonstration counties as a whole as well (4.92 months versus 6.56 months), possibly reflecting the agency's ability to support relatives' decisions to take custody by offering a wide range of wraparound services.

| <b>Table 7.35: Median Duration of First Placements in Clark</b> |                |                                       |                                           |                                  |
|-----------------------------------------------------------------|----------------|---------------------------------------|-------------------------------------------|----------------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>               | <i># cases</i> | <i>Actual length of stay (months)</i> | <i>Counterfactual length of stay (mo)</i> | <i>Effect of Waiver (months)</i> |
| Any type of exit                                                | 663            | 8.12                                  | 8.88                                      | -0.76                            |
| Adoption                                                        | 71             | 31.18                                 | 31.88                                     | -0.70                            |
| Reunification                                                   | 310            | 3.60                                  | 3.72                                      | -0.12                            |
| Custody to relative                                             | 147            | 4.92                                  | 7.86                                      | -2.94                            |
| Runaway                                                         | 19             | 8.30                                  | 7.84                                      | 0.46                             |

\* indicates statistical significance

### *Exits from Out-of-Home Care*

Three exit types showed a statistically significant change in Clark County from what would have been expected without the Waiver. Custody to relatives (Table 7.36) increased by almost 8% from what would have been expected without the Waiver. The increased use of this exit type was also statistically significant for the set of demonstration counties overall, but Clark's effect was twice as strong. Of CCFCS children exiting from their first placements, 22% exited to relative custody, compared to the 14% that would have been expected to exit to relative custody without the Waiver. This certainly reflects the agency's focus on relative caregivers, and may also reflect the availability of wraparound services.

Other custody exits were also statistically significant over what would have been expected without the Waiver, showing a decrease of 7%. Other custody exits include placements ending in emancipation, transfers to other institutions, court terminations, guardianships, etc. This decrease is probably reflective of the IV-E court agreement, which removed unruly/ delinquent youth from the child welfare population. The third custody exit type to show a statistically significant change is exit to runaway, increasing by 2%, although the number of children involved is small. Agency staff believe this is related to the county operated group home. The home serves older children, who are more likely to runaway, especially since the home is located in the community. Another factor that staff believe contributed to the number of children exiting to runaway status is the IV-E Court Agreement. Prior to the agreement, the Court was extremely reluctant to allow CCFCS to terminate custody of runaway youth. Since the agreement, the Court will terminate custody of a runaway youth after an appropriate period of time.

| <b>Table 7.36: Frequencies of Exit from Placement: Clark</b> |                |                 |                         |                         |
|--------------------------------------------------------------|----------------|-----------------|-------------------------|-------------------------|
| <i>Type of Exit from 1<sup>st</sup> placement</i>            | <i># Cases</i> | <i>Actual %</i> | <i>Counterfactual %</i> | <i>Effect of Waiver</i> |
| Any type of exit                                             | 663            | 100.00          | 100.00                  | N/A                     |
| Adoption                                                     | 71             | 11.80           | 13.04                   | -1.24                   |
| Reunification                                                | 310            | 46.94           | 48.90                   | -1.96                   |
| Custody to relative                                          | 147            | 21.80           | 13.88                   | 7.92*                   |
| Runaway                                                      | 19             | 2.88            | 0.56                    | 2.32*                   |
| Other                                                        | 116            | 16.64           | 23.64                   | -7.00*                  |

\* indicates statistical significance

### *Shifts in Foster Care Spending*

Although Clark County had a 20% decrease in paid placement days over the course of the Waiver, its board and care costs have continued to increase, although at a slower pace than occurred in the demonstration and comparison groups (+39% and +58%, respectively). Clark County's increase is due to increases in the average daily cost of foster care, which began the Waiver at \$40.94. By 2002, the average daily cost of foster care had increased to \$61.28, a 50% increase. This increase compares to an average 44% increase across demonstration counties, and a 51% increase across comparison counties. Clark County's increase appears to reflect growth in the foster home per diem rate, which occurred in the second year of the Waiver, since placement mix (as shown in Table 7.34) did not shift to more expensive forms of care. Use of network foster homes may account for a significant portion of this increase as well, since the network per diems are generally higher than CCFCS foster home per diems, and have increased regularly.

### **7.7.4 Permanency Outcomes**

Like many other demonstration and comparison counties, Clark has made efforts to divert children from entering the system and reduce the length of stay, but efforts to address permanency at the other end of the system have not been quite as successful. The number of children in permanent commitment increased by 29% from the end of 1997 to the end of 2000 (Table 7.32.). The county has also witnessed a 169% increase in the number of new children available for adoption subsidy between 1997 and 2000. This compares to a 40% growth in the number of children available for adoption in demonstration sites and a 32% growth in comparison sites. Although the small numbers of children involved may make this percentage change misleading, the general trend is influenced by the time limit requirements of the Adoption and Safe Families Act, and Ohio's version of the federal law, HB 484, the impact of which were felt during the Waiver period.

The agency has increased adoptions by using Protect Ohio funds to increase adoption subsidies from the \$250 paid by the State up to \$1500 depending on the special needs of the child. Further, CCFCS has split foster care/adoptions into two units so that the staff in each can focus on adoptions or foster care more directly. These agency efforts, however, have been unable to keep up with the increase in workload created by the federal/state permanency timelines. It is possible that there was no visible impact of the Waiver on the number of children in permanent custody because some of the children had been in permanent custody for years prior to HB 484. The agency has been able to place some of these “long term PC” children into adoptive homes due to the increase in subsidies, but agency administrators believe that their length of stay may have skewed the numbers.

CCFCS has successfully decreased the number of children in PPLA by 41% between the end of 1997 and the end of 2000. This contrasts with a 4% increase among all demonstration sites and a 28% increase in all comparison sites. The reductions were the result of an agency focus on the appropriate use of PPLA. The agency made a concerted effort to avoid using PPLA as much as possible, and this effort was fully supported by the judge.

#### *Re-Entry Rate and Median Duration of First Reunification*

Clark County, like all the other demonstration counties, does not show a significant change in either re-entry rate or length of reunification prior to re-entry, compared to what would have occurred without the Waiver. This suggests that Clark County children are no worse off under the Waiver than they would have been otherwise; this is an important point, since policy makers have been concerned that child safety could suffer if counties had greater flexibility to return children from foster care.

#### **7.7.5 Conclusions**

Overall, during the course of the Waiver, Clark County appears to have made progress toward desired fiscal outcomes and, and more modestly, toward participant outcomes; these positive changes appear to be related to systemic changes made in the provision of child welfare services. The increase in interagency initiatives allowed by the flexible Waiver funds, particularly the Title IV-E court agreement, have resulted in better interagency relationships, strong positive perceptions of the agency by other community agencies, and preventive service efforts to address community-wide children and family issues. The intense development of wraparound and other home-based services, used both to prevent placements and to prevent disruption of placement, has been universally lauded as positive for children and families in Clark County. The Court Agreement, the emphasis on family stability and support services, and the increased use of unpaid relatives, appear to have played a role in reducing the paid placement days by 20%, when in other demonstration and comparison counties, paid placement days increased over the same period. CCFCS has also significantly reduced the number of children in PPLA, by focusing management attention on the appropriate use of this placement status.

Overall, participation in the Waiver resulted in the CCFCS making a significant shift in its expenditures, from 56% on board and care costs in 1996 to 41% in 2002. This occurred in spite of increases in the average daily cost of foster care. Clark County used its savings in board and care costs primarily to increase non-board and care services, including significant growth in both staff and non-foster care contract costs.

## **7.8 SYSTEM REFORMS AND OUTCOMES ACROSS CASE STUDY COUNTIES**

The six case studies highlight a few success stories as well as several situations of more mixed results where the county initiative had less specific focus. Some of the latter counties have used the Waiver period to clarify their preferred direction for reform, and are now pursuing a particular strategy with more intention.

Two demonstration counties—Muskingum and Lorain—stand out from the other four counties in terms of positive Waiver effects. These counties have focused on clearly defined programmatic reform efforts supported by fiscal shifts, which appear to have translated into improved outcomes for children and families. For example, Muskingum County focused on both “ends” of the child welfare system, prevention and permanency, and substantially increased spending on child welfare activities other than foster care; it was able to make this spending shift because it had one of the largest decreases in paid placement days during the course of the Waiver. Improved outcomes for Muskingum children included, quicker exits to adoption, and a decrease in the number of children in PPLA. In addition, the county saw a decrease in the number of child abuse incidents.

Lorain County similarly experienced positive changes in child and family outcomes. Internal reforms in staffing, in-home service provision, and quality assurance appeared to contribute to a large reduction in paid placement days and a substantial increase in spending on child welfare activities other than foster care. During the Waiver, the status of Lorain County children changed in several key ways: fewer children were in custody, much fewer were in PPLA, and more were adopted in 2000 than in 1997. In addition, among children in their first placement, significantly more children exited care to go to the custody of a relative than would have done so in the absence of the Waiver.

The other case study counties showed less clear-cut results despite initiating a variety of reform efforts. Clark County showed many similarities to Lorain County but experienced somewhat more mixed outcomes. It appeared to have the most success in reforming the front end of the system through expanded home-based services and collaboration with the juvenile court. As a result, paid placement days declined during the Waiver, and spending on non-foster care activities increased. However, the Waiver did not appear to have any impact on length of stay in foster care, and the number of children in custody increased. This latter finding may reflect the number of children already in care at the start of the Waiver, a group that plays an important role in other demonstration counties but was not separately analyzed.

Franklin County focused strongly on reforms external to the PCSA, implementing managed care contracts which transferred to private providers the responsibility for a portion of new child welfare cases. The PCSA made relatively few changes to internal agency practice. Overall improvements in child and family outcomes were somewhat stymied by a sharp increase in paid placement days and an accompanying growth in foster care expenditures, but the PCSA nonetheless had shorter median length of stay in foster care among children in their first placement, than would have occurred without the Waiver.

The other two case study counties had less consistent reform agendas over the course of the Waiver, perhaps due in part to major organizational changes which occurred in both counties – Fairfield PCSA was merged into the local DJFS, and Stark PCSA, already part of DJFS, faced a labor dispute and underwent leadership changes. Fairfield County sought to shift its population focus to younger children, and did decrease new admissions to placement, but overall paid placement days continued to grow, likely due to both slower exits from first placements and children already in care at the start of the Waiver. Stark County experienced similar foster care dynamics; in addition, several key PCSA initiatives did not begin until the third year of the Waiver, so may not have had sufficient time to produce changes in outcomes for children and families.

In the end, these six case studies highlight the very different ways that demonstration counties have used the Waiver and the consequent variations in results. Specific visions of reform, consistently pursued throughout the Waiver, appear to yield more systematic improvements in the particular child and family outcomes examined thus far by the evaluation. The case studies also suggest that other outcomes – such as child safety, the placement experience of children already in care at the start of the Waiver, and the experience of children served in their own homes -- need to be examined before a comprehensive picture of Waiver impact can be offered.