

SECOND ANNUAL REPORT: EXECUTIVE SUMMARY

The second year of the ProtectOhio evaluation has offered many important insights into the experiences of the demonstration and comparison counties. Evaluation team members have spent significant amounts of time on site visits in these counties, and in conversations with individual Public Children Services Agencies (PCSA) managers, learning about changes they have made in PCSA operations and clarifying the meaning behind secondary data on fiscal activities and child and family outcomes.

Chapter 1: Introduction

In October 1997, the Ohio Department of Human Services (ODHS) received federal authorization for the Title IV-E Waiver demonstration. The underlying premise of the Title IV-E Waiver is that changes to federal child welfare eligibility and cost reimbursement rules will change purchasing decisions and service utilization patterns in ways that are favorable to children, families and communities. The increased flexibility of the Waiver will lessen the current fiscal incentives to place and keep children in out-of-home care. Ohio's Title IV-E Waiver program, ProtectOhio, adopts a managed care approach to increase the efficiency and effectiveness of its child welfare system, focusing on reducing the use of out-of-home placement, increasing reunification and permanency, and improving family functioning, while also maintaining a cost-neutral budget.

Ohio's Waiver application proposes to redesign the service delivery system, through the use of managed care technologies, to focus on participant-based outcomes consistent with the values and practice of child welfare, and demonstrate the effectiveness of public-private partnerships. The central purpose of ProtectOhio is to test whether the change in the basis of payment and in service system responsibilities improves the way counties structure and manage their child welfare systems, and as a result, improves the cost effectiveness of outcomes for children and families at risk.

Because children's services in Ohio are county-administered, much variation exists among the 88 county PCSAs. The Title IV-E Waiver provides an opportunity for PCSAs to explore innovative approaches to meeting the needs of children and families in their community. Fourteen counties chose to participate in the Title IV-E Waiver: Ashtabula, Belmont, Clark, Crawford, Fairfield, Franklin, Greene, Hamilton, Lorain, Medina, Muskingum, Portage, Richland, and Stark.

As part of its Title IV-E Waiver, Ohio committed to conduct a rigorous evaluation of the ProtectOhio demonstration. Essential to the evaluation is examination of 14 comparison counties, chosen for their similarities to demonstration counties. The selected comparison counties include: Allen, Butler, Clermont, Columbiana, Hancock, Hocking, Mahoning, Miami, Montgomery, Scioto, Summit, Trumbull, Warren, and Wood.

Evaluation Design

Human Services Research Institute (HSRI), in collaboration with Westat, Chapin Hall Center for Children, Institute of Human Services Management (IHSM), and Mid-America Consulting Group (MCG), are under contract with the Ohio Department of Human Services to evaluate the ProtectOhio demonstration project. The evaluation consists of four related studies, each of which assesses the program hypothesis from different perspectives.

The *Process Implementation Study* examines the activities which occur in each of the 14 demonstration counties as they move toward implementation of their own Waiver plans, and documents contemporaneous developments in the comparison set of 14 non-Waiver counties. It also identifies actions at the state level that influence local child welfare practice. Initial findings are presented in Chapter 3 and 6, and the first section of Chapter 5.

The *Participant Outcomes Study* examines the impact of ProtectOhio on the children and families served by the child welfare system. The design requires that measurable outcomes be defined for consumers served by the system. Preliminary findings are presented in Chapters 4 and 5.

The *Community Impact Study* examines the broader effects of the demonstration on the participating counties, not just the effects on the children and families served by the PCSAs. Initial findings from this study are presented in the Interim Implementation Report.

The *Cost-Benefit Study* identifies cost savings and changes in expenditure patterns arising from the use of managed care technologies. It has two components: the *fiscal outcomes analysis* examines changes in revenues and in service expenditures, both at the family/child level and at the system level. The *cost effectiveness analysis* reveals how differing county "purchasing decisions" affect the number of people who use services, the level and duration of services, and whether those changes are cost-effective to children and families and the system that serves them. Chapter 2 presents preliminary findings from the fiscal outcomes analysis.

Overview Of Year Two Activities

During the second year of the ProtectOhio evaluation, the evaluation team continued to explore key policy and practice issues relevant to one or more of the principal studies comprising the overall evaluation. The following section describes the major activities that occurred during the period July 1, 1999 through June 30,2000.

Overall Team Activities: The evaluation team kept in close contact with Ohio stakeholders, including staff of ODHS and the ProtectOhio Consortium members, to share findings from the evaluation, as well as to keep abreast of changes happening in Ohio during the Waiver period. The evaluation team has also worked together, in consultation with Ohio state and county staff, to develop of the Outcomes Matrix listing specific outcome measures that may potentially be impacted by the Waiver.

Process Implementation Study: HSRI, MCG, and IHSM worked together to develop the Year 2 data collection tools, conduct site visits in all 28 counties, and compiled and analyzed the qualitative and quantitative data collected during these visits. This team also developed and conducted interviews with the five ODHS District Offices. Findings from this study are reported in the Interim Implementation Report.

Participant outcome Analysis Activities: The staff at Westat conducted phone interviews and several site visits to evaluation counties to discuss and verify data in Year 1 report, as well as learn more about individual county systems. In October 1999 and March 2000, Westat received FACSIS data from ODHS, analyzing and reporting on this data in the Second Annual Report.

Fiscal Outcomes Activities: Chapin Hall used two approaches for Year 2 of the evaluation. First, they worked with a sub-sample of demonstration and comparison counties to develop a more reliable set of aggregate expenditure data. Second, with data from two demonstration counties, Chapin Hall constructed databases of child-specific case activity and expenditure data.

Community Impact Activities: To examine the broader effects of the Waiver, HSRI designed a data collection process, a database framework, and gathered some initial data for the Community Impact Study. Preliminary findings are reported in the Interim Implementation Report.

Chapter 2: Preliminary Fiscal Outcomes

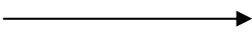
The purpose of the Fiscal Outcomes Study is to address whether demonstration counties change the pattern and level of child welfare expenditures as a result of receiving Title IV-E funds as an unrestricted revenue source. Thus far in the evaluation, the evaluation team has been able to obtain data from only a limited number of sources in all counties. During the remaining years of the evaluation, we will continue to pursue a two-pronged data collection strategy, including aggregate as well as child-level analysis.

Findings Based on Available Data

Two sources of data are considered reliable enough to support a preliminary report of fiscal outcomes. The Social Services Random Moment Survey (SS-RMS) provides information about total direct county expenditures and the fraction of staff time associated with different types of activities. Direct county expenditures include the public child welfare agency's expenditures on administrative personnel, social workers employed by the county, equipment, and property. Not included in the SS-RMS are county expenditures for board and maintenance payments to foster parents, county-operated group homes, and services purchased from vendors. The only currently available source of data for these "non-direct" county expenditures is the number of paid placement days recorded in FACSIS. We analyze these paid placement days as a proxy for foster care expenditures.

The data on direct county expenditures suggests that the trends in direct county costs are similar for demonstration and comparison counties. Both groups are increasing direct county costs, and neither group appears to be changing the proportion of county budgets spent on foster care case management, non-foster care services, or any other category of direct county expenditures. Both demonstration and comparison counties spend about 40-45% on foster care case management, about 50% on non-foster care services, 7% on training, and 1-2% on Title IV-E eligibility determination. However, the data also suggests that demonstration counties may be beginning to spend more of their total direct county budget on non-foster care services. Additional years of data will reveal if this is a developing trend.

To examine whether ProtectOhio counties are shifting expenditures away from foster care, we examined paid placement days for each county at four points in time, two years prior to the Waiver, and two years during the Waiver (Table 1).

Table 1: Average Changes in Paid Placement Days Recorded in FACSIS			
Waiver Period 			
	Change from FFY 1996 to FFY 1997	Change from FFY 1997 to FFY 1998	Change from FFY 1998 to FFY 1999
Demonstration	2.5 %	-8.8 %	-0.7 %
Comparison	-0.6 %	4.7 %	6.5 %

Although any Ohio county could adopt innovative strategies to try to control or decrease the number of paid placement days, the demonstration counties appear to be reducing paid placement days when compared to a comparable group of non-Waiver counties. Prior to the Waiver, the change in placement days observed for demonstration and comparison counties does not differ significantly. One year after the Waiver began, however, demonstration counties dropped their placement days by 8.8% while comparison counties increased their placement days by 4.7%. During the second year of the Waiver, demonstration counties did not continue their strong trend in placement day reduction -- the number of paid placement days stayed at the basically same level (less than 1% decrease). Comparison counties, on the other hand, continued to increase their placement days, and at a greater rate than the prior year (6.5% increase). If the comparison county experience is correctly representing the expected trend in placement days across the state, demonstration counties may still be reducing placement days from where they otherwise would have been, even though the observed number of placement days is unchanged from the previous year.

Findings from the Process Implementation Study, in combination with data on direct county costs and paid placement days, lend further clarity to the question of whether ProtectOhio is causing demonstration counties to shift expenditures away from foster

care maintenance to community-based services. While most ProtectOhio counties are not specifically tracking how IV-E dollars are being spent, they are able to identify specific efforts in which they are currently engaged, efforts that would not have been in place without ProtectOhio dollars. These efforts include:

- Increases in staff and internal capacity
- Prevention programs and services
- Flexible funding accounts which workers can use creatively to prevent a removal, support a reunification, or prevent a child from reentering the system
- Increases to the foster care per diem
- Assisted guardianship programs
- Expansion of the availability and level of adoption subsidies
- Expansion of independent living programs

Conclusions

Analyses of the SS-RMS data and the changes in foster care paid placement days both indicate some initial trends of demonstration counties to decrease out-of-home care expenditures. The SS-RMS data found that direct county expenditures were increasing for both demonstration counties and comparison counties, with demonstration counties beginning to show increases in the size of non-foster care expenditures. The analysis of paid placement days revealed that demonstration counties have been able to make some progress at reducing out-of-home placement days. Both of these findings are supported by results of the Process Implementation Study, which revealed demonstration counties' use Title IV-E funds for innovative or expanded programs to avoid foster home placement. These results, however, are only preliminary. The evaluation team will continue to probe for more detailed fiscal information to begin to understand how Waiver participation affects overall child welfare spending and spending on out-of-home placements relative to other services.

Chapter 3: Process Implementation Findings

The Process Implementation Study examines changes in the structure and operations of the demonstration and comparison PCSAs.

Managed Care Strategies

The most notable finding is that demonstration counties are making significantly more use of managed care strategies. The study team explored eight areas of managed care activity:

- Service array – creation of new services, shifting service focus;
- Financing – using capitation and risk, flexible use of IV-E funds;
- Targeting – trying initiatives for special population groups;
- Case management – unit structure, smooth transfers of responsibility;

- Competition – provider affiliations, use of competitive rates;
- Utilization review – placement review processes, allocation rules;
- MIS – systematic data collection and management;
- Quality assurance – control & enhancement activities, outcome focus.

We summarized the information from each area into eight components of a managed care index, indicating each county’s level of managed care activity. Table 2 shows clearly that demonstration counties are experimenting more than are comparison counties in all eight core areas of the managed care index.

Table 2: Managed Care Index Scoring		
Managed Care Category	Possible Score	Average Score
Service array	7	
Demonstration		4.14
Comparison		3.64
Financing	11	
Demonstration		3.82
Comparison		0
Targeting	8	
Demonstration		3.57
Comparison		1.25
Case Management	5	
Demonstration		1.86
Comparison		1.50
Competition	9	
Demonstration		2.43
Comparison		0.71
Utilization Review	8	
Demonstration		5.43
Comparison		4.43
MIS	4	
Demonstration		2.07
Comparison		1.43
Quality Assurance	16	
Demonstration		7.11
Comparison		5.50
TOTAL	68	
Demonstration		32.18
Comparison		20.30

The contrast between demonstration and comparison counties is most evident in the areas of financing and competition, which are the most explicitly *managed-care-like* components. No comparison counties are experimenting with capitated financing or risk-sharing, and their level of effort to consciously stimulate competition among service providers is fairly limited. The contrast is almost as strong in the areas of targeting and quality assurance: demonstration counties scored markedly higher on both measures.

Less differentiation is found between demonstration and comparison counties in the areas of case management, service array, information management, and utilization review. This pattern suggests that these are strategies that all counties can adopt, whether or not they have access to flexible Title IV-E funds. Case management is particularly interesting, in that it shows the least activity overall, perhaps because traditional policies around case management are seen as so central to child welfare practice, that changes may need to be more incremental.

Table 2 is also striking in what it says about the overall use of managed care strategies. The average scores for demonstration and comparison counties differed significantly, 32.18 compared to 20.30; but both of these fall fairly far below the optimum score of 68. Even the highest score, by a demonstration county, was only 47.69. These data suggest that (1) many demonstration counties are not very active, and (2) even those who are active are not pushing the limits of managed care strategies.

The various components of the managed care index have been weighted to create the most appropriate composite measure of managed care activity. The resulting scores create three natural groupings (Table 3): the group of highest users is composed of eight demonstration counties, while the lowest users include seven comparison counties and one demonstration county. The highest users share a very strong focus on financing and quality assurance strategies, and, to a somewhat lesser degree, give substantial attention to targeting and utilization review.

Table 3: Level of Managed Care Activity			
	Low Managed Care Activity	Moderate Managed Care Activity	High Managed Care Activity
Demonstration	1	5	8
Comparison	7	7	0

Case Flow

A critical issue for both demonstration and comparison counties is controlling the type of cases that are opened to PCSA services. PCSAs are using several approaches: modifying the screening process, using different types of risk assessment tools, and creating processes to limit the cases coming from the court. Two findings stand out:

- * More than half of the evaluation counties are doing something “out-of-the-ordinary” during the screening process to divert cases from coming into the PCSA

system. These screening efforts tend to focus on: gathering more *information* to determine if a case should be opened, developing better processes to assure *consistency* in the screening process, and altering the *criteria* to better define appropriate cases for PCSAs to serve. While demonstration counties are somewhat more involved in focusing on changing the screening processes than comparison counties, this does not appear to be directly related to Waiver participation, but is rather a reaction to a desire to decrease pressure on intake and to moderate the burden of the risk assessment tool.

- * Compared to demonstration counties, the comparison counties more often feel unable to control the flow of cases coming from the juvenile court. This is not surprising, since it likely was a contributing factor in their decision not to enter the Waiver. In efforts to deal with this influx of cases from the court, few counties have turned to formal positions or notification processes. Rather, counties have more often focused on building a strong relationship with the court, which appears to diminish the severity of the problem. In some counties, the creation of new court services has also positively impacted the number of PCSA cases that come from the juvenile court.

Chapter 4: Caseload Trends - Baseline Period and First Two Years of the Waiver Period

The Participant Outcome analysis assesses the impact of "ProtectOhio" on the outcomes for children and families served by the 28 participating PCSAs. In the second study year, we explored the caseloads and selected outcome measures comparing the two-year baseline period, prior to the start of ProtectOhio, with the first two years of the Waiver initiative.

Administrative FACSIS data was used for the analysis. Many factors complicate the use of state FACSIS data for the participant outcome analysis, including data quality assurance, variations in definitions across counties; variation in documentation of use of relatives for placement and county-defined values and events. Analysis of data will be refined each year as clarification of data usage by each county is made.

This chapter summarizes caseload statistics using FACSIS data. Topics covered include investigations of abuse and neglect, ongoing caseloads, court caseloads and outcomes, and placement information.

Overall Findings Concerning Caseload Trends

Using FACSIS data obtained from ODJFS, many variables that were examined did not reveal any significant differences between demonstration and comparison groups or between time periods. Among those that did show interesting patterns of differences, five findings are notable:

- * The number of reports of child abuse and neglect declined in the demonstration counties during the course of the Waiver, while comparison figures remained steady. This is perhaps a result of changes in screening processes.
- * Demonstration and comparison counties showed substantial variation in the percent of reported children who were targeted as being at risk, during both the baseline and the Waiver periods. This is likely a reflection of differing local definitions of the threshold for risk.
- * Comparison counties tend to have a higher proportion of their custody awards made to relatives. Consistent with this finding, demonstration counties make greater use of non-licensed relative homes than do comparison counties, because their higher use of relative custody has removed those children from placement counts. These data appear to reflect different county practices in use of relatives, and are perhaps also influenced by the Caseload Analysis counties (seven of the demonstration sites) where non-relative placements are encouraged.
- * In both demonstration and comparison counties overall, there has been little success in reducing the use of long-term foster care, now called permanent planned living arrangement (PPLA).
- * Demonstration counties had increasing numbers of new children entering placement than did comparison counties, for each of the four fiscal years, a reflection of a dynamic that motivated many counties to enter the Waiver. But altering entry patterns takes time, as they are a result of external factors as well as PCSA internal policy and practice decisions.

It is important that the evaluation team continue to monitor these and other caseload dynamics, as they have a major influence on PCSA ability to improve child and family outcomes.

Chapter 5: Participant Outcomes

Using FACSIS data for the baseline and Waiver periods, we examined selected child outcomes in the demonstration and comparison counties. Although a number of the key outcome variables did not show significant change over time nor contrasts between groups, this is not surprising; since many PCSA's are only now beginning to implement managed care strategies and to make structural changes; therefore, it is too early to expect established outcome trends to have responded. Among the more interesting contrasts are the following six findings:

- * Since the Waiver began, children entering foster care in demonstration counties are leaving foster care faster than children are in the comparison counties. At the same time, children already in foster care the first day of the Waiver, which includes the "long-stayers," are leaving foster care faster in the demonstration group.

- * Among children with custody terminations, a larger proportion of demonstration children have been reunified, compared to comparison children with custody terminations. This increase in reunification in the demonstration group is reflective of practice differences, but may also be due to inconsistent definitions of “return home”.
- * For both demonstration and comparison PCSA's, the number of children eligible for adoption subsidies increased from the baseline period to the Waiver period.
- * Over time, both demonstration and comparison PCSA's increased the proportion of children they serve in-home, compared to those served in placement. This pattern occurs in the face of overall growth in caseloads.
- * Over time, neither the demonstration counties nor the comparison counties experienced improvement in moving children to less restrictive placement settings, although both groups did show a decrease in the proportion of total placement days that were used in group homes and CRCs.
- * Child abuse and neglect recidivism rates are steady over time, and are comparable among demonstration and comparison counties. Since we employ a new measure for recidivism, which relies on the PCSA’s application of the state-mandated Risk Assessment methodology, it will be important to refine the statistic and carefully examine future changes in child safety.

We will continue to study these and other outcome factors, as they begin to play out in the latter years of the Waiver.

Chapter 6: Findings on System Outcomes

The evaluation study team addressed nine priority systemic outcomes, related to service array, utilization review, and Caseload Analysis.

- * In the area of service array, the demonstration PCSAs stand apart from the comparison counties in several ways. They more often create new services; their workers have greater access to more generous pots of flexible funds; and, due to their involvement in the Waiver, they make use of IV-E dollars to supplement other flexible funding resources. In these ways, the service array available to families and children in demonstration counties has the potential to surpass that of comparison counties.
- * Demonstration counties are substantially more active in utilization review and quality assurance, showing more use of placement review processes, more involvement in automated data systems, and greater efforts to measure outcomes and use them to improve the service delivery systems.
- * Both demonstration and comparison counties view team conferencing as a vital tool in improving communication and in achieving better outcomes for children and families. Demonstration counties tend to make greater use of team

conferencing, both within the PCSA as well as among multiple child-serving agencies.

- * While team conferencing appears to be utilized in both demonstration and comparison counties, PCSA staff still guide case-level decision making, with workers keeping families informed of these decisions. In over half of the demonstration counties, but only a third of the comparison counties, concerted efforts are made to hold meetings where the primary focus is on the family. This relative lack of family involvement is not surprising: while Ohio counties are trying to become more family-centered and family-based, such a big shift, both in terms of agency procedures and staff PCSA mindset, takes time.
- * In examining selected child abuse and neglect measures in the CLA demonstration counties versus the non-CLA demonstration counties, we find few differences. This is not surprising since CLA has been fully implemented in only two of the seven counties. Similarly, selected placement outcomes did not differentiate between CLA and non-CLA counties, except for a greater increase over time in the use of relative placements in non-CLA counties compared to CLA counties.

In future years of the evaluation, through focus groups with families and interviews with workers, the site visit team will continue to explore how service availability, sufficiency, and access changes over time. It will also be important to continue to examine the outcomes of CLA counties during the remaining years of the evaluation, as CLA becomes more fully operational and thus able to impact child and family outcomes.

Chapter 7: Conclusions

Overall, the second year analysis of process, outcome, and fiscal data highlights three major contrasts between the demonstration counties and the comparison counties:

- ☞ *First*, the demonstration counties are experimenting substantially more than the comparison counties, in restructuring PCSA operations and, specifically, in adopting managed care strategies.
- ☞ *Second*, demonstration counties have begun to contain placement days since the Waiver began, while comparison counties have continued to experience modest growth.
- ☞ *Third*, the Waiver has thus far had little impact on child and family outcomes, although there are indications that the demonstration PCSAs are moving children more quickly out of foster care, and are reunifying a larger proportion of children with custody terminations, than are their comparison counterparts.

Data limitations continue to be a serious issue for the evaluation team. Insufficient reliable data at the state level has forced the evaluation team to turn to the PCSAs themselves for considerable fiscal information, as well as service delivery data which will be used to supplement FACSIS files. We will continue to work closely with ODHS (now

ODJFS) and the participating counties, to assure that as complete data as possible are included in the evaluation.

Future Plans

In the third year of the ProtectOhio evaluation, the staff of HSRI, Westat, Chapin Hall, and MCG will continue to explore how Ohio's Title IV-E Waiver is being implemented in the 14 demonstration counties, analyzing how system reform efforts are impacting outcomes and expenditures for families and children. In Year 2 of the evaluation, the study team was able to develop a list of outcome measures hypothesized to be most directly related to the Waiver. For this report, the team examined only a prioritized list of these outcome measures. Many of the other outcome measure still need to be explored, in addition to a need for further examination of the outcomes explored this year. In the remaining years of the evaluation, the study team will use this outcome framework as a basis for analyzing county activities.

Among the major activities for Year 3 are the following:

- ✓ Prepare the Interim Implementation report (completed in August 2000), describing evaluation counties' efforts to change their service systems.
- ✓ Hold regional debriefings to share the study findings with all evaluation counties.
- ✓ Conduct telephone interviews with key players in each county, focused on internal operations as well as interagency relationships.
- ✓ Gather information on the impact of the Waiver on each county as a whole, including secondary data from state sources and interviews with community representatives.
- ✓ Expand analyses of FACSIS data to a full 3 years of the Waiver, and begin to use survival analysis techniques to compare the effects over time of the Waiver on each group and county.
- ✓ Develop new FACSIS outcome measures related to court referrals and overrepresentation of racial/ethnic subpopulations in the child welfare system.
- ✓ Refine data collection plan for 2001-2002 to explore service provision through a caseworker survey.
- ✓ Continue analysis of aggregate child welfare expenditures in as many counties as possible, using categories of direct and non-direct/contract expenditures, to develop an understanding of increases and decreases in expenditures.
- ✓ Conduct case studies of child-specific expenditures in at least two demonstration counties, to better understand the dynamics of expenditures changes observed in the aggregate analysis.