

THIRD ANNUAL REPORT: EXECUTIVE SUMMARY

As Ohio enters the fifth year of its Title IV-E Waiver demonstration project, the evaluation continues to reveal many important insights into the experiences of the 14 demonstration counties, as well as parallel changes in the 14 comparison counties in the evaluation. During the third year of the evaluation, study team members spent significant amounts of time conducting telephone interviews and collecting information on these 28 Public Children Services Agencies (PCSA). This executive summary provides a brief overview of the findings.

Chapter 1: Introduction

In October 1997, the Ohio Department of Human Services (ODHS) received federal authorization for the Title IVE 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

In July 1998, the Ohio Department of Human Services contracted with a team of researchers led by Human Services Research Institute (HSRI), to evaluate the impact of ProtectOhio on outcomes for children and families in the child welfare system. The five-year evaluation project consists of four related studies, each of which assesses the central program hypothesis from different perspectives. The various members of the evaluation team carry primary responsibility for one or more of these studies:

HSRI has leadership of the Process Implementation Study. With support from the *Institute for Human Services Management (IHSM)*, the study team is examining the activities which occur in each of the 14 demonstration counties as they move toward implementation of their own Waiver plan, and is tracking contemporaneous developments in a comparison set of 14 non-Waiver counties. Through site visits, telephone interviews, and other primary data collection methods, the Process study team seeks to document the evolution of Waiver-generated changes in state and local plans, and to explore how the varying modes and implementation trajectories impact the achievement of desired outcomes for children and families. This study also identifies actions at the state level that influence local child welfare practice.

Westat bears primary responsibility for conducting the Participant Outcomes Study. This research effort 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 local public child-serving agency (PCSA). Service utilization and outcomes are compared for participants over the five-year period of the Waiver, primarily through analysis of administrative data on all families served.

HSRI leads the Community Impact Study, with support from IHSM. This study examines the broader effects of the demonstration in participating counties, not just the effects on the children and families served by the PCSAs. The study team seeks to address how changes in each demonstration PCSA affect the larger community's service infrastructure and dynamics, noting changes over time and between demonstration and comparison counties.

Chapin Hall Center for Children, at the University of Chicago, has primary responsibility for the Fiscal Outcomes Study. The purpose of the fiscal analysis is to examine whether or not counties changed child welfare spending patterns as a result of receiving Title IV-E foster care funds as unrestricted child welfare revenue, and if so, how expenditure patterns changed. The fiscal outcome study consists of the compilation and analysis of state and county-level aggregate expenditure information for child welfare services in each demonstration and comparison county, from 1996, two years prior to the Waiver, through 2002, the last year of the Waiver.

Major Findings from Year 1 and Year 2

During the first two years of the evaluation, members of the evaluation team spent significant time on-site in the demonstration and comparison counties and on the telephone with

individual contact people, gathering information about the operations of each of the 28 PCSAs in the study.¹

Overall, analysis of the first two years of process, outcome, and fiscal data points to five preliminary conclusions:

First, the demonstration counties and their comparison counterparts appeared to be reasonably similar prior to the start of the Title IV-E Waiver, suggesting that the comparison counties do provide a valuable representation of how the demonstration counties would have operated in the absence of the Waiver.

Second, the demonstration counties are experimenting substantially more than the comparison counties, in restructuring PCSA operations and, specifically, in adopting managed care strategies.

Third, demonstration counties have begun to contain placement days since the Waiver began, relative to the performance of the cost-neutrality control group, while the evaluation comparison counties have continued to experience modest growth.

Fourth, the Waiver has thus far shown 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.

Fifth, the data limitations that the Participant Outcomes and the Fiscal Impact study teams encountered have been considerable. 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 that will be used to supplement FACSIS files. Consequently, the evaluation team somewhat altered its analytic approach for the remainder of the evaluation.

¹ In July 1999, the evaluation team submitted its First Annual Report of the ProtectOhio evaluation. This was followed in June 2000 with the Second Annual Report, and, in August 2000, the Interim Implementation Report.

Chapter 2: Process Implementation Findings

During the third year of the ProtectOhio evaluation, the study team continued to explore the implementation of the Title IV-E Waiver in the 14 demonstration counties, as well as system reform efforts in the 14 comparison counties. The team examined three broad areas: the use of managed care strategies, the impact of factors external to the PCSA that are likely to influence PCSA caseloads, and the effect of system reform efforts on the broader community.

Use of Managed Care Strategies

A central focus of the Process Implementation Study in Year 3 is examination of the 28 counties' use of managed care strategies, in particular, the impact of the Waiver on demonstration counties' ability to implement these types of strategies. Because the focus of Ohio's Title IV-E Waiver is to encourage child welfare agencies to adopt various managed care efforts, the evaluation team has spent a significant amount of time developing a list of managed care strategies that can be used by child welfare agencies, and then exploring the extent to which the 28 evaluation counties are using each of these strategies. To adapt the term 'managed care' to the child welfare setting, the team broadly defined the use of managed care as a rational decision-making process to balance the competing forces of cost control, access, and quality. The study team then developed a list of eight commonly used managed care strategies that promote the balance of these competing forces (see Text Box). The following section describes some of the findings regarding the managed care strategies explored during the Year 3 interviews.

Managed Care Strategies

- Service Array/Care Criteria
- Financing Methods/ Capitation and Risk
- Targeting a Particular Population/Eligibility
- Case Management/Care Coordination
- Provider Competition
- Utilization Review
- Data Management

- **Service Array:** In traditional managed care, care criteria refers to the standards used to determine what services can be provided, or a list of allowable services. In child welfare, the pertinent concern is making available a comprehensive array of services, to increase a PCSA's ability to appropriately serve its clientele. Overall, in Year 3, service availability appears to be improving, with little difference between demonstration and comparison counties in terms of sufficiency of services. In general, counties most often reported placement and mental health services to be least sufficient, and substance abuse services most sufficient, with non-placement and other services close behind. In the last year, both demonstration and comparison counties have actively developed new services, often with a preventive focus (e.g. in-home services, psychological assessments, drug and alcohol assessments, school-based programs).
- **Financing:** Capitation is a process whereby a fixed amount of money is paid in advance to cover the costs of services needed by eligible individuals or families. Demonstration counties are using IV-E Waiver flexibility to develop capitated contracts to a greater extent than comparison counties, but neither group is very active in this area. Four of 14 demonstration counties have capitated or case rate contracts in place (a decrease from six counties last year). Demonstration counties are still in the process of determining the extent of capitation and risk sharing that works best for them and adjusting existing

contracts accordingly. At the time of the Year 3 interviews, no comparison counties had implemented capitated contracting arrangements.

Demonstration counties are using Title IV-E Waiver funds flexibly to purchase many different types of services to decrease placement days. Some counties are using the funds to develop preventive programming, including primary prevention and intensive interventions. Other counties are using these funds to hire and maintain qualified staff. Still other counties use these funds to create discretionary spending pots to prevent removal and to support foster care placement and reunification. Although demonstration counties appear more planful in their use of flexible funds, comparison counties are increasingly accessing non-Waiver flexible funds and using them in very similar ways, due to the availability of TANF and other flexible funding sources.

- Competition: Managed care is often touted as a way to increase the competition, and thus the efficiency, of providers in a service network. The larger the provider network, the more potential exists for choice among services and among providers of a given service, thus affording greater opportunity to meet individual need. Both demonstration and comparison counties are offering incentives to enhance their own foster care networks, most often by increasing per diem rates, but also providing other incentives to entice families in the community to become foster families. This year, comparison counties appeared more likely to adopt such strategies, helping them to “catch up” to demonstration counties who had already done so in the past. Only two counties (one demonstration and one comparison county) are exploring the use of preferred provider networks.
- Utilization Review: Utilization review is a formal process, often by an outside party, to ensure that the services being provided are necessary, appropriate, and at the lowest reasonable cost. Child welfare is beginning to more carefully scrutinize use of out-of-home placements, and starting to think about the need for placing some systematic parameters around use of other types of service. ProtectOhio counties are more often holding pre-placement and periodic reviews of placement cases to ensure that placement decisions are appropriate. However, comparison counties are becoming more active in this area. In addition, both demonstration and comparison counties are trying to develop MIS systems to improve decision-making processes.

- Quality Assurance: Quality assurance can be seen as complementary to utilization review, geared not just to ensuring minimal safety of children but also to fostering performance improvements over time. In child welfare, quality assurance activities are slowly overcoming their exclusive process-orientation, and beginning to focus on child and family outcomes. While demonstration counties engaged in more quality assurance activities in Year 2 than did comparison counties, this year less difference is evident between the county groups. However, demonstration counties remain more focused on QA than are comparison counties: more demonstration counties have designated staff who focus on quality assurance, they make greater use outcomes in management decisions, and they implement non-traditional QA activities such as: a hotline for workers with clinical questions, enabling workers to offer suggestions for change during their performance reviews, offering activities to improve cultural competence.

These changes in each managed care area reveal a pattern: demonstration counties continue to incorporate managed care strategies into their system reform efforts to a greater extent than comparison counties, but comparison counties are now beginning to close the gap. The greatest growth from Year 2 to Year 3, for both demonstration and comparison counties, occurred in the areas of service array and quality assurance. Counties overall are most active in these two areas and in utilization review, while the areas of least activity include competition, case management, and MIS. Not surprisingly, managed care financing remains the area of largest contrast between demonstration and comparison counties.

External Factors Influencing Caseload

While the Title IV-E Waiver enables ProtectOhio counties to experiment with ways to reduce caseload or alter caseload mix, other factors may have equal or greater impact on PCSA caseloads both in Waiver and non-Waiver counties in Ohio. Among such factors explored during the third year of the evaluation were the Adoption and Safe Families Act, referrals from Juvenile Court and use of Reclaim Ohio dollars; and Ohio Works First. Not surprisingly, little differentiation in these areas exists between demonstration and comparison counties.

Adoption and Safe Families Act (1997):

House Bill 484, Ohio's legislation to comply with the requirements of the Adoption and Safe Families Act (ASFA) mandates that if a child has been in the temporary custody of an agency for 12 or more months of a consecutive 22 month period, the local public children services agency must file a motion for permanent custody of the child, unless there is a compelling reason that permanent custody is not in the best interest of the child; services required in the case plan have not been provided; the agency has already been granted permanent custody; or, the child has been returned home pursuant to court order.

In Ohio, ASFA has impacted both demonstration and comparison counties, often in a positive way, encouraging PCSAs to develop their own systems to more quickly move cases to permanency. In particular, Ohio evaluation counties have experienced increases in the number of children in permanent custody, increases in the number of adoptions, increases and earlier use of in-home services to prevent removal, and increases in numbers of children in PPLA/LTFC.

Referrals from Juvenile Court: Interviews in past years of the evaluation have consistently surfaced one issue perceived as having a negative effect on PCSA caseloads – the inappropriate referral of unruly and delinquent children to the PCSAs by juvenile courts. Inappropriate referrals continue to be more of an issue for comparison counties than for demonstration counties, although in the past year several comparison counties have adopted specific strategies that have improved the situation. For example, counties have focused on improving the relationship with juvenile court staff or increasing exchange of information about families and children before appearing in court, through the use of better assessments or PCSA/court liaison positions.

Ohio Works First (OWF): In October 2000, Ohio counties were expected to begin implementing sanctions against OWF/TANF recipients for failure to abide by work/training requirements. The possibility that such sanctioning would lead to increases in the child welfare caseload has not thus far materialized: OWF sanctions have had a relatively minor impact on PCSA caseloads. Further, both demonstration and comparison counties have been proactive in developing responses to potential new cases: stationing a mental health worker at the OWF office to work with sanctioned families, appointing liaisons to communicate with PCSA about sanctioned families, developing informal and formal joint staffing processes to link sanctioned families with available resources, and staffing all OWF cases within 24-months of their losing benefits.

Perceptions of Waiver's Impact

During the third year of the evaluation, the study team also explored how PCSA system reform efforts are expected to impact the PCSA as well as the larger child-serving community in demonstration counties. In general, demonstration PCSAs identified five main arenas of change: increased accountability to the public (i.e., formalizing policies and procedures, accreditation, financial stability, QA, etc.), better support for PCSA workers, improved provision of services within PCSA, enhanced relationships among child serving entities (i.e., pooling resources, targeting services, etc.), and strengthened relationships with the public (i.e., providing better information about PCSA role in community, engaging community members as volunteers, etc.). Most counties perceive that progress has been made in these areas, especially in the area of accountability.

The evaluation team is also monitoring the even broader impact of system reform efforts on county-level social indicators such as teen high school dropout rates and teen pregnancy. Thus far, while counties report improved interagency collaboration and community relations, no parallel changes are evident in the broader social indicators

Chapter 3: Caseload trends

ProtectOhio has allowed the 14 demonstration counties to make or explore changes in all aspects of the PSCA service arena. Since the initiatives can be so broadly applied, one strategy of the evaluation is to monitor the caseload sizes in each county, from at least two years prior to the demonstration through the Waiver period. The Participant Outcomes study team is using statewide FACSIS data for this analysis.

Caseload counts are useful to identify differences in PCSAs' use of FACSIS, the relative size of PCSA workloads, and changes in the volume of children served through the baseline and waiver periods. While changes in caseload indicators do not offer insight into why workload volume has changed, it is nonetheless a familiar statistic for PCSA staff, suggesting that some external or internal systemic change is coming to the surface. For example, an increase in the number of children in placement over the three years of the Waiver certainly has workload implications; however, to understand the long-term budgetary impact would require longitudinal considerations of admissions and length of stay.

Caseload data is presented for a baseline period and the first three years of the Waiver period. The baseline data provide a statistical description of child welfare performance indicators and caseloads prior to the beginning of the project. By comparing baseline data and waiver data, the study team can identify and analyze the effects and changes that may have occurred due to changes in service delivery related to implementation of ProtectOhio. The Participant Outcomes study includes all children and all cases recorded on FACSIS as being served during the two periods by the 28 participating PCSAs. Caseload sizes are presented in four areas: (1) child abuse/neglect reports (incidents), (2) ongoing caseloads, (3) custody, and (4) placement.

Child Abuse/Neglect Reports: Practitioners frequently talk about child abuse and neglect reports as the front door into the child welfare system. In Ohio, PCSAs receive two types of referrals: reports of child abuse and neglect (incidents) and other requests for services. The other requests for services can come from families or the general community, but most come from the courts for dependent, delinquent, or unruly children.

The number of incidents fell in the demonstration counties between the two years of the baseline period, while the number remained about the same in the comparison counties over the same period. During the three years of the Waiver period, the number of incidents slowly fell for both the demonstration and comparison counties. This aggregate trend is reflected in individual counties: most counties in the demonstration and the comparison groups experienced declines in the number of incidents. Nine demonstration counties and 10 comparison counties showed decreases in the number of incidents per year, between the end of the baseline period and the end of the third year of the Waiver period.

At the individual county level, nine demonstration counties and 10 comparison counties showed decreases in the number of incidents per year, between the end of the baseline period and the end of the third year of the Waiver period. While no initiatives have been specifically directed at reducing the number of reports, several counties reported organizational efforts to increase the "screening out" of cases.

Has the seriousness of the cases changed? In most jurisdictions, the indication rate would be monitored over time as one indicator. As Ohio has converted to a risk assessment system, this tracking is currently more difficult. The study team designed a method to identify as “targeted” cases all those classified as either indicated/substantiated or having a higher risk level under the case resolution rubric. Between the last year of the baseline period and the third year of the Waiver period, the percentage of children who are targeted has increased in the demonstration counties (by 5%) and decreased in the comparison counties (by 10%).

County-specific data, however, shows a less dramatic contrast: The counties in the demonstration group were split, with seven experiencing increases in the percentage of targeted children and six experiencing decreases over the Waiver period. Similar variability is evident among the comparison counties, with eight counties experiencing an increase in the percentage of targeted children, four a decrease, and two remaining the same.

Year 3 findings on incidents and targeting are consistent with study team observations from year one and year two, suggesting that counties are focusing on front-end diversion. Many PCSAs are decreasing the number of incidents they accept and they are increasing the percentage of targeted children in incidents. This shift is occurring in both demonstration and comparison counties, suggesting it is not related to ProtectOhio, but more likely the impact of the FRAM process.

Ongoing Caseloads: The number of children in each PCSA’s caseload is an important statistic, counting the volume of the county’s children receiving services from the PCSA at a given point in time. The larger the caseload, the greater the workforce needed to handle service delivery and case management.

Since the Waiver began, a majority of the demonstration counties (11) and half of the comparison counties experienced increases in the number of children in ongoing cases. During the Waiver period, the overall number of children in ongoing cases increased by 19 percent in the demonstration counties and decreased by 10 percent in the comparison counties. This has some cost and administrative implications, as each child and case must be managed by a caseworker.

Custody Caseloads: Counties have legal responsibility for children in their custody. Each child in custody requires procedural actions by caseworkers and court personnel. Looking at point-in-time counts provides a snapshot of the custody workload level. From the baseline period through the end of the third program year of the Waiver, the number of children in custody increased overall, for both demonstration and comparison counties. Like the aggregate performance, most individual demonstration and comparison counties (8 and 10, respectively) experienced an increase in the number of children in custody.

Placement Caseloads: The count of children in placement at a particular point in time is a familiar caseload count. During the three years of the Waiver period, both demonstration and comparison counties experienced growth in the number of children in placement, with more comparison counties than demonstration counties followed this overall pattern.

Use of relatives: In an effort to find permanent settings quickly for children in PCSA custody, both demonstration and comparison counties are using different approaches to place children with relatives. Finding a relative home for a child is viewed as supporting the best interest of the child, as well as enabling the county to become less involved in the case and ultimately reducing placement days.

Counties involve relatives in protective care of children, with variation in who gets custody (county PCSA or relative), training of relatives, payment to relatives, and supervision of relatives. In fact, demonstration counties are more likely than comparison counties to use PCSA involvement and custody. Seven (of 14) demonstration counties most often first take custody, then transfer custody to the relative. It is notable, however, that five demonstration counties, including both metro counties, prefer to place with relatives, but maintain custody with the PCSA. Only two counties in the comparison group preferred this strategy, one of them a metro county.

Overall, the number of children in relative care increased by 15 percent between the end of the second year of the baseline period and the end of the third year of the Waiver period, in both the demonstration and comparison counties. In the demonstration group, nine counties experienced increases in the number of children in relative care. In contrast, only six counties in the comparison group experienced a growth in the number of children in relative care.

Use of group care: One objective of ProtectOhio is to reduce the use of group care, simply because it is the most restrictive and most expensive setting for children. The number of children in group homes and CRCs at a point in time is a good volume indicator. It shows how many beds for these high-need children each PCSA needs.

Both the demonstration and comparison counties showed similar increases in their use of group care. The aggregate increase in group home use is reflected in most comparison counties (8) and in many demonstration counties (6).

Chapter 4: Participant Outcome Study

In the Year 1 Report, the Participant Outcome Team identified an extensive list of outcome measures using available FACSIS data. In the Year 2 Report, outcome data was presented on the seven priority outcomes. These outcomes focus on the three important areas of permanency, placement stability and safety. Using three years of waiver data, this report focuses on analysis of safety and permanency.

Is the Waiver successful for children in the demonstration counties? Counties answered this question in many ways. The common themes described by the fourteen demonstration counties are two of the areas mentioned above: safety and permanency. Are children not being harmed by the initiative? Are children staying home or achieving permanency faster if they are removed?

Safety: Using recidivism rates as a measure, children are not being hurt by the Waiver. Changes in the recidivism rate of abuse/neglect appear similar for the demonstration and comparison groups. Eleven of 14 demonstration groups maintained or decreased the recidivism rates of all “targeted” or high-risk cases. Similarly, ten of 14 comparison counties

also maintained or decreased their recidivism rate. While both groups showed a recidivism rate of 4 percent during the third year of the Waiver, the comparison group dropped from 7 percent during FFY 97 prior to the Waiver and the demonstration group reduced only slightly from 5 percent.

As to safety after cases are closed, overall, the demonstration counties maintained an 8 percent recidivism rate from the baseline to the third year of the Waiver period. The comparison group showed an overall drop from 10 percent to 6 percent.

Permanency: Improving permanency for children through the Waiver is still showing mixed outcomes after the third year of the Waiver. The demonstration counties are seeing more children as clients, resulting primarily from the increase in non-abuse neglect cases, which are likely court or service referrals. Most of the comparison counties are seeing fewer children and fewer in placement.

Are there more children in completed adoptions? For children in placement, the push for permanency by counties was expected to increase the number of completed adoptions. In fact, 10 of the demonstration counties and 9 of the comparison counties increased their number of new adoptions over the three years of the Waiver period. Similarly for children in permanent commitment, mainly children whose parental custody had been terminated, the number has increased in nine demonstration counties and eight comparison counties over the same period. If homes are not found for these children, this could spiral into increased long-term placement caseloads.

Are there fewer children in long-term foster care? Most demonstration counties hoped to decrease the number of children in long-term foster care, now called planned permanent living arrangements. In fact, 11 of the 14 demonstration counties decreased these populations over the three years of the Waiver, while only six of the 14 comparison counties showed decreases.

Case duration: Taking a look at the characteristics of children and how it affects case and placement duration shows several important relationships. For in-home cases, being in a comparison county appears to decrease the duration during the Waiver period, a turnaround of what was happening prior to the Waiver. Urbanicity, age of the child and several of the reform indices, reflecting service delivery changes, also appear significant for duration of in-home cases.

Foster care length of stay: For foster care (placement) duration, overall there has been no observable significant impact of the Waiver on placement duration

For the two large demonstration counties, there has been a significant Waiver effect, resulting in shorter duration for first placement episodes, when compared to the large comparison counties. The duration of foster care stays increased in the large comparison groups after the Waiver period began. For smaller counties, there was no effect observed.

These trends in safety and permanency should continue to unfold, as the Waiver reaches its fourth and fifth years of activity and the new data can be incorporated.

Chapter 5: 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. The fiscal study team has pursued a two-pronged data collection approach. First, the team used state reporting mechanisms to develop general expenditure and foster care utilization information about all 28 evaluation counties. Second, to gather additional detail about trends in foster care and non-board and maintenance expenditures, the team conducted case studies of aggregate county expenditure data for five comparison and five demonstration counties from county fiscal years 1996-2000. The data collected through the aggregate county case studies provide the most comprehensive view to date of county expenditure patterns before and during the Waiver period.

The findings presented in this chapter should be interpreted very carefully, in light of three important dynamics. *First*, a substantial time lag can exist between implementation of a programmatic change and a consequent shift in fiscal data. *Second*, aggregate foster care utilization and expenditure data may not be sophisticated enough to pick up more subtle changes taking place as a result of the Waiver. For example, county investments in family support services may have successfully reduced foster care admissions of infants, but additional admissions among other age groups may cause foster care expenditures to go up during the same period, obscuring the impact of the reduction in admissions of infants. *Third*, aggregate expenditure data for more than half of the demonstration and comparison counties has not yet been collected, limiting the team's ability to identify expenditure patterns across all counties.

Findings on All Evaluation Counties

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.

Table 1: Percent Growth in Total Direct County Expenditures FY 1997 to FY 2000

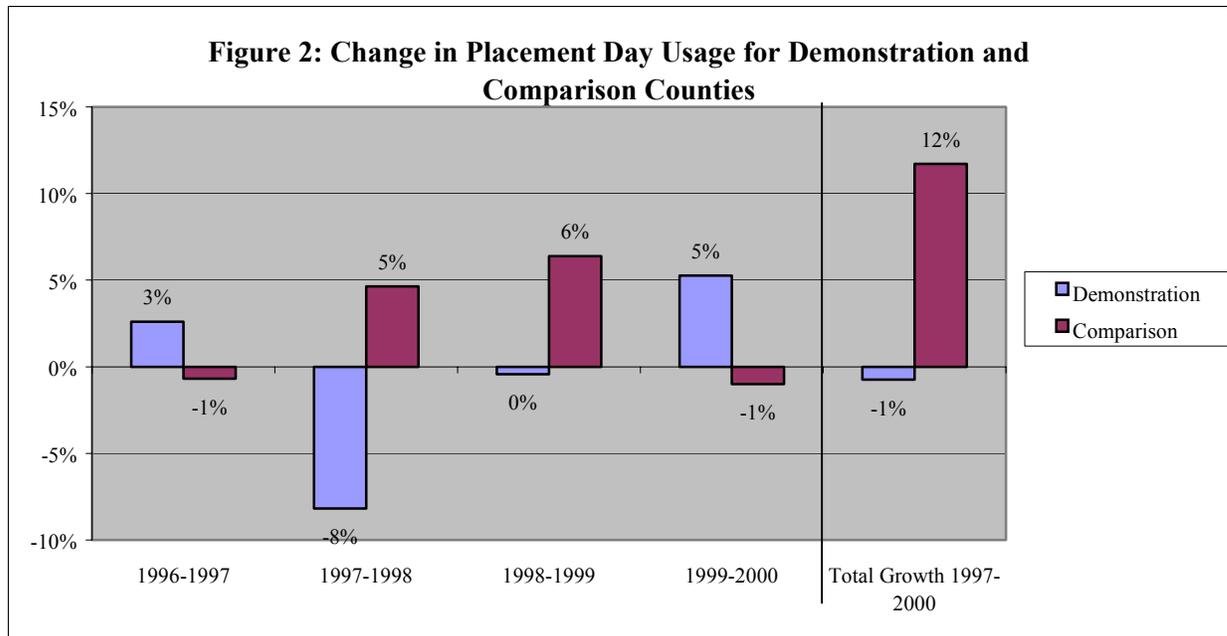
	Demonstration	Comparison
<i>Total Direct County Expenditures</i>	39%	26%
Foster Care Case Management	40%	34%
Non-Foster Care	41%	21%
Training	49%	46%
Eligibility Determination	2%	56%

+ Hamilton County's eligibility figures have been excluded
 Source: Social Services Random Moment Survey (SS-RMS)

State level SS-RMS data (Table 1) reveal that all counties are increasing direct county expenditures (county spending on staff and related expenses, not including county-operated residential facilities), with more demonstration sites than comparison sites seeing increases of 25% or more over four years. Direct county spending on non-foster care activities appears to be growing more rapidly in demonstration counties than in comparison counties.

The only currently available source of data for all 28 counties for "non-direct" county expenditures is the number of paid placement days recorded in FACSIS. These paid placement days serve as a proxy for foster care expenditures. Analysis of the 28-county data indicates that demonstration counties did appear to reduce paid placement days in the first year of the Waiver, but subsequent years show no definitive pattern. As figure 2 indicates, prior to the Waiver, the change in placement days observed for demonstration and comparison counties did not differ significantly. One year after the Waiver began, however, demonstration counties dropped their placement days by 8% while comparison counties increased their placement days by 5%. Subsequently, demonstration counties did not continue their strong trend in placement day reduction -- the number of paid placement days stayed at the basically same level in the second year. Comparison counties, on the other hand, continued to increase their placement days, and at a greater rate than the prior year (6% increase). Year 3 reveals even less difference between demonstration and comparison counties.

Figure 2 also shows the average rate of growth in paid placement days over the four-year period as a whole. The apparent contrast between the demonstration and comparison counties is misleading, influenced by extreme variations among the counties in each group. Indeed, viewing the trends in paid placement days for the individual counties does not reveal clear differences between demonstration and comparison counties. Eight demonstration counties are still paying for fewer days in 2000 than they were in 1997, the year before the Waiver, but six other demonstration counties have increased placement day utilization from 1997 to 2000 by an almost equal proportion. Similarly, among the comparison counties, five counties are paying for fewer days than they were in 1997, and the remaining nine counties increased foster care day counts.



Demonstration and comparison counties purchased a similar mix of types of foster care placement (foster home, group care, residential treatment), both before and after the Waiver. As a group, neither demonstration nor comparison counties appear to be changing the mix of placement days purchased before and after the Waiver.

Findings from 10-County Aggregate Data

Among the ten counties where aggregate expenditure data has been collected, the following patterns are observed:

- ◆ From 1996-2000, total child welfare expenditures grew at similar rates among demonstration and comparison counties, indicating that both demonstration and comparison county officials have been able to finance more spending on child welfare services during the last five years.
- ◆ Foster care board and maintenance expenditures grew for most counties in most years from 1996-2000. Different patterns of growth or reduction in foster care expenditures among the counties in the demonstration and the comparison group have yet to emerge.
- ◆ All other child welfare expenditures, excluding foster care board and maintenance expenditures, grew for all counties in most years from 1996-2000, and demonstration counties increased all other child welfare expenditures at a faster rate than comparison counties.

In addition, the five demonstration counties analyzed reveal the following trends among Waiver counties:

- ◆ First, four out of five demonstration counties received more federal IV-E revenue through the Waiver than they would have received in absence of the Waiver. The fifth county received approximately the same amount of revenue as it would have received in the absence of the Waiver. However, two of the counties that received more ProtectOhio

revenue received at least part of the revenue due to administrative changes that allowed the counties to bill costs that were included in their Waiver base to other funding streams outside the Waiver.

- ◆ Second, among the four demonstration counties that received additional revenue through the Waiver, expenditure growth in services other than foster care board and maintenance was the same or larger than the amount of additional revenue. This shows that these demonstration counties were reinvesting this money in services other than foster care placement, rather than using the revenue to reduce expenditures or to finance growing placement costs.
- ◆ Third, four out of five demonstration counties allocated additional, non-ProtectOhio revenue to non-board and maintenance services over the five years observed.
- ◆ Fourth, most of the budget growth financed by the additional ProtectOhio revenue and other revenue sources has been in county staff, and primarily for foster care case management. Smaller investments (relative to the size of the county budget) have been observed in county staff providing support services to families, cash and material goods to support reunification and placement with relatives, and contracts for family support services.

Conclusion: The aggregate case studies conducted to date show that both demonstration counties and comparison counties are increasing child welfare expenditures, but demonstration counties are increasing them faster than comparison counties. Growth in foster care board and maintenance expenditures is similar across both groups, but demonstration counties are investing more money in the administration of foster care programs and, to a lesser extent, in more preventive/non-foster care services. These larger investments, relative to comparison counties, should result in fewer paid placement days, lower placement unit costs, and more county staff activities directed toward non-foster care activities. Such changes have not yet been observed in the fiscal data, either among demonstration counties or comparison counties. However, these investments are unlikely to have an immediate effect that is large enough to be observed in the same year the investments were made. The analysis of additional years of data will reveal whether or not the increased investment has the intended effect, in both demonstration and comparison counties.

Future Plans

In the fourth year of the ProtectOhio evaluation, the staff of HSRI, Westat, Chapin Hall, and IHSM will continue to explore how Ohio's Title IV-E Waiver is being implemented in the demonstration counties compared to the comparison counties, analyzing how system reform efforts are impacting outcomes and expenditures for families and children. This will include further data collection and analysis of outcome and fiscal data, as well as more in-depth and qualitative investigation of the overall impact of the ProtectOhio initiative on child welfare agencies and their local communities.

Over the next year, the evaluation team will continue to have ongoing contact with staff at ODJFS and in the evaluation counties. Members of the evaluation team will also continue to attend ProtectOhio Consortium meetings on a regular basis, learning about activities related to

the initiative as well as sharing the progress and finding of the evaluation with these key players.

Among the major activities for Year 4 are the following:

- ✓ Hold a single debriefing in Columbus Ohio to share the study findings with demonstration and comparison counties.
- ✓ Conduct site visits to each of the 28 evaluation counties, including interviews with key staff from both the PCSA as well as with other child-serving agencies in the county. Conduct focus groups with PCSA line staff, as well as with service recipients to identify the impact of the waiver on people who are delivering and receiving child welfare-related services.
- ✓ Expand the efforts on the Community Impact Study by gathering qualitative information about how the waiver has impacted those in the community, supplementing the social indicator data.
- ✓ Collect and analyze local case registration data to understand the reasons why the child/case came to the attention of the PCSA.
- ✓ Expand analyses of FACSIS data to a full 4 years of the Waiver, and continue to use survival analysis techniques to compare the effects over time of the Waiver on each group and county.
- ✓ Refine outcome analysis to look at the relationship of case duration, length of stay in placement and recidivism with county child and system characteristics.
- ✓ Administer the caseworker survey in January or February of 2002 to collect information on the activities and opinions of caseworkers from all 28 evaluation counties.
- ✓ Implement the aggregate expenditure data collection plan developed during the third year of the evaluation.