



# Pilot to Outsource CBC Program Oversight Encountered Setbacks; Effectiveness Unknown

## *at a glance*

Due to a variety of problems, implementation of the pilot project to outsource oversight of two child welfare lead agencies has been substantially delayed. The outsourced program monitoring provider, Chapin Hall, used the Department of Children and Families' quality assurance system. Problems with the quality assurance system hindered the provider's ability to successfully implement program oversight. Chapin Hall's success was also negatively affected because the pilot lead agencies disagreed with the findings in one of its monitoring reports.

The department has since worked with Chapin Hall to modify its quality assurance methodology to produce useful monitoring results. However, due to setbacks a lapse of almost two years occurred in state quality assurance reviews for the pilot lead agencies. As a result, the effectiveness of outsourcing department program oversight is unknown at this time.

Chapin Hall is helping the department and lead agencies evaluate performance and track outcomes for children over time. The pilot project shows promise in developing more meaningful performance measures for lead agencies, but Chapin Hall is still in the process of evaluating lead agency data as an interim step toward producing a final set of measures.

## Scope

Chapter 2006-30, *Laws of Florida*, requires OPPAGA and the Auditor General to evaluate the pilot project that outsourced Department of Children and Families (DCF) oversight of community-based care (CBC) lead agencies in Broward, Miami-Dade, and Monroe counties and permitted the development of new lead agency performance measures.<sup>1, 2</sup> This report reviews outsourced program oversight and the status of new performance measures. The Auditor General will issue a separate report that reviews outsourced fiscal and administrative oversight.

## Background

Chapter 2006-30, *Laws of Florida*, creates a three-year pilot project for two community-based care lead agencies (ChildNet in Broward County and Our Kids in Miami-Dade and Monroe counties) with a statutory implementation date of July 1, 2006.

The community-based care pilot project transfers the Department of Children and Families' oversight of lead agencies to outsourced providers. The pilot project also includes developing new provider performance measures that better evaluate achievement of outcomes for children served in Florida's outsourced child welfare system.

<sup>1</sup> As requested by the Legislature, OPPAGA issued a report on implementation status of the pilot in January 2007, *CBC Pilot Project Implementation Delayed But Proceeding; Other Initiatives Implemented*, OPPAGA [Report No. 07-03](#).

<sup>2</sup> Reports on this evaluation are due in February 2008 and 2009.

### The community-based care pilot project

- transfers fiscal, administrative, and program monitoring responsibilities from the Department of Children and Families to independent, nongovernmental third-party oversight entities; and <sup>3, 4</sup>
- provides for the third-party program monitor and lead agency pilot sites to develop new outcome measures to track lead agency performance. <sup>5</sup>

The department contracted with Chapin Hall in November 2006 to conduct program monitoring through quality assurance reviews and to develop new performance measures. <sup>6</sup> Chapin Hall is a child welfare research and demonstration institute of the University of Chicago. The legislation that created the pilot required the third-party program monitor to be mutually agreed upon by the pilot lead agencies and the department. Administrators of the pilot lead agencies recommended Chapin Hall as the program monitor because of its national reputation in the field of child welfare research.

## Findings

Chapin Hall's use of the department's quality assurance system hindered program oversight of the two pilot lead agencies. As a result, the effectiveness of outsourcing department oversight remains unknown at this point. Chapin Hall is

working with the department and lead agencies to develop more meaningful performance measures for lead agencies, but these measures are not yet finalized.

### ***Problems with DCF's quality assurance system and disagreement with the pilot lead agencies over approach adversely affected Chapin Hall's ability to meet requirements for contract deliverables***

Chapin Hall's contract with DCF required it to produce several quality assurance monitoring reports showing the results of its validation of pilot lead agencies' quality assurance data. These reports were due in January, April, July, and December 2007. However, Chapin Hall was not able to successfully produce the January, April, and July reports in the manner envisioned by its contract for several reasons.

- Chapin Hall, the department, and the pilot lead agencies agreed that Chapin Hall would use the department's quality assurance process.
- The quality assurance system had shortcomings that adversely affected both Chapin Hall's and the department's ability to perform quality assurance.
- The pilot lead agencies disagreed with the findings in Chapin Hall's July 2007 report due to concerns about the approach used by its subcontractors.

The department made revisions to its quality assurance system in January and December 2007. Chapin Hall proposed and the department accepted changes to the quality assurance methodology, which the department incorporated into its revisions. These changes should improve the pilot lead agencies' internal reviews and Chapin Hall's external validation reviews.

Chapin Hall used the department's quality assurance process. The legislation that created the pilot required the transfer of the department's current oversight responsibilities to an independent, third-party entity. The method for program monitoring was to be mutually agreed upon by the pilot lead agencies and the department. Chapin Hall, the department, and the pilot lead agencies agreed that Chapin Hall

<sup>3</sup> *Fiscal monitoring* provides financial oversight and assurance of the integrity of the provider's fiscal operations, including adherence to generally accepted accounting principles and the appropriate use of various funding streams. *Administrative monitoring* examines a provider's management and governance structures and other areas of operations not related to the delivery of direct program services. *Program monitoring* examines compliance with statutes, rules, and regulations. *Quality assurance reviews* assess the quality of services provided to children and families, determine whether case work services are comprehensive and services received best meet clients' needs, and evaluate whether case workers' decisions were in the clients' best interests.

<sup>4</sup> In July 2006, the department contracted with Abel and Associates, a certified public accounting firm, which had conducted fiscal monitoring for ChildNet for the previous three years. The terms of the contract require that Abel and Associates conduct fiscal, administrative and federal funds monitoring.

<sup>5</sup> Other aspects of the pilot included changes in funding and payment methods to lead agencies. These changes are discussed in our previous report (OPPAGA Report No. 07-03).

<sup>6</sup> The legislation that created the pilot exempted the selection of the program monitor from the state's competitive selection process to streamline the selection process; however, the University of Chicago delayed signing the contract over contract language, as discussed in our previous report.

would use a three-tiered quality assurance system that the department had recently revised.

This revised system, which the department implemented statewide in April 2006, shifted some of the department's quality assurance activities to lead agencies. When the pilot project began, the department's quality assurance system consisted of three levels of review.

- Tier I was an internal assessment conducted by lead agencies of in-house or subcontracted case work practices. Tier I assessments required lead agencies to review a sample of cases each year using an assessment instrument approved by the department that assessed 23 core case elements.<sup>7</sup> Lead agencies were required to submit quarterly data from these reviews to the department. Previously, the department had reviewed lead agencies' in-house or subcontracted case management.
- Tier II was an external department assessment of a sub-sample of the cases the lead agencies reviewed under Tier I in order to validate these findings.
- Tier III, the Florida Child and Family Services Review, was an external department assessment using the Florida version of the federal performance review. This review is designed to prepare the state for federal review and collect data to maintain the state's Program Improvement Plan required after the last federal review. The federal review occurs every five years and most recently occurred in January 2008.

The department contracted with Chapin Hall to perform the Tier II and Tier III quality assurance reviews of the pilot lead agencies. While Chapin Hall's use of the existing quality assurance system was expedient and provided statewide consistency, this decision contributed to a substantial delay in developing a strong oversight process.

Chapin Hall and the department encountered problems working with the quality assurance system. Chapin Hall, in attempting to validate the pilot lead agencies' quality assurance data for its January 2007 and April 2007 reports, encountered obstacles due to shortcomings in the design of the

system. One problem was that the department's process had a time lag between Tier I and Tier II reviews, which made it difficult to match lead agency quality assurance data to current case file information. For the Tier I internal quality assurance reviews, the department required each lead agency to examine an average of 334 case files a year. The lead agencies took up to a year to complete this examination due to the length and detailed nature of the review instrument. However, because of the dynamic nature of child welfare cases, information in case files, such as children's permanency goals, changes over time. As a result, when Chapin Hall attempted to validate the Tier I reviews it was unable to do so because information in the case files no longer matched the information recorded in the assessment instrument, which often had been completed several months earlier.

Another key problem was that Chapin Hall was unable to validate some Tier I monitoring data because the two pilot lead agencies had not fulfilled their contractual responsibilities for quality assurance reviews and did not come into compliance until after Chapin Hall was to have begun its oversight.

- Chapin Hall was unable to validate quality assurance reviews of ChildNet because this lead agency had not conducted quality assurance reviews of case files or compiled data on the results. In January 2007, the department took corrective action and required the agency to comply with its contract, but this provided Chapin Hall with an insufficient number of cases to validate for its April report.
- Chapin Hall was unable to validate Tier I monitoring by Our Kids because while this lead agency had completed its quality assurance file reviews from April 2006 to December 2006, it had not submitted its quality assurance review instrument to the department for review and approval. The instrument was structured using compound questions which made it difficult for Chapin Hall reviewers to validate the data. Based upon these concerns, Our Kids subsequently revised its review instrument, which DCF approved in March 2007.

<sup>7</sup> Core elements include such areas as case plan development, placement stability, repeat maltreatment, ongoing assessment of risk, and visitation.

The department experienced similar problems using its quality assurance system statewide. Nine months after implementing the revised quality assurance system, department quality assurance staff reported that most lead agencies statewide were not meeting deadlines for submitting quarterly quality assurance data or were submitting incomplete information. The department also determined that lead agencies' quality assurance staff did not adequately understand the quality assurance core elements or how to apply these elements in Tier II reviews. As a result, most lead agencies fell below the 98% Tier II validation accuracy standard established by the department.

Due to these problems in the department's quality assurance system, Chapin Hall's deliverables for January and April 2007 were not validation monitoring reports as intended by its contract. Instead, the January report was a summary of contract activities to date. The April report similarly did not contain validation data because ChildNet and Our Kids had not properly collected the required data. In an attempt to provide useful information in the April report, Chapin Hall reviewers randomly selected 10 cases from each pilot lead agency. This review was limited to assessing safety, behavioral/physical assessments, and clinical services. However, lead agency and some department administrators did not consider Chapin Hall's conclusions to fairly represent case practices due to the small number of cases reviewed and the narrow focus of the review.

The pilot lead agencies disagreed with the findings in Chapin Hall's July contract deliverable due to concerns about the approach used by its subcontractors. While Chapin Hall was able to complete its July 2007 contract deliverable that assessed the pilot lead agencies' quality assurance monitoring, this report was not accepted by the pilot lead agencies. Chapin Hall did not have in-house staff in south Florida but hired a project manager located in Miami and subcontracted with Miami-based Foster Care Review to perform the quality assurance reviews. This subcontractor reviews and monitors foster care files for the juvenile division of the circuit court.

The pilot lead agencies complained that Chapin Hall's draft July 2007 report was inaccurate. Department and lead agency staff expressed

concern that Chapin Hall had not adequately prepared its subcontractors for the field work they were expected to do, which affected their ability to perform quality assurance as intended. The lead agencies complained that these staff used a compliance-oriented approach that focused on information in case files. As a result, the review staff did not ask questions of lead agency staff and case workers to determine if additional case information was maintained or to fully understand state policies and practices. Due to these concerns, Chapin Hall agreed to not finalize the July 2007 review and instead submitted a revised monitoring report in September 2007, which was accepted by the department and lead agencies.

The department subsequently revised its quality assurance system and approved changes proposed by Chapin Hall. The department made revisions to its quality assurance process in January 2007 and again in December 2007 to remedy the problems it encountered. In January, the department reduced the number of cases non-pilot lead agencies review each year from an average of 334 to an average of 131. DCF made this modification based upon the advice of a consultant. The consultant concluded that the sample size could be reduced without sacrificing accuracy in determining compliance. Based on the consultant's recommendations, the department also reduced the accuracy standard for validation from 98% to 80%, which the department determined would ensure that lead agencies have quality assurance systems in place, are using the systems correctly, and are in overall compliance with performance standards.

The department also approved several changes proposed by Chapin Hall to the internal (Tier 1) quality assurance reviews by pilot lead agencies and the external validation reviews (Tier 2) conducted by Chapin Hall's reviewers.<sup>8</sup> In December, the department issued a draft plan for a revised quality assurance system for non-pilot lead agencies that incorporates several of the

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<sup>8</sup> To overcome the difficulties Chapin Hall experienced fulfilling its contract, DCF established an executive steering committee to discuss issues that arise with outsourced program oversight and oversee the Chapin Hall contract. Managers and other key decision makers from the department, Chapin Hall, and the lead agencies participate in meetings of the committee.

methodological changes made by Chapin Hall for the pilot lead agencies. These changes

- modify the number of cases lead agencies review each quarter to 25 to ensure that lead agencies complete case reviews in time for the external validation reviews;
- stratify these 25 sample cases by children's status in the child welfare system (new admissions versus long-term cases) and the child's age (10 and under, 11 and above for long-term cases and 5 and under, 6 and above for new admissions); and
- address the lag time between Tier I and II reviews by having lead agency quality assurance staff and the Chapin Hall reviewers conduct side-by-side reviews. This will assist in the interpretation of review questions and provide immediate feedback to the lead agency on case work practice.

***Due to these delays, the effectiveness of the pilot in replacing DCF program oversight remains unknown***

Previous OPPAGA reports have identified numerous weaknesses in the department's monitoring of lead agencies, as well as its failure to take sufficient action when it identified lead agency performance problems.<sup>9</sup> One measure of success for the pilot project would be if using an outsourced monitor enhances the department's ability to provide program oversight of the quality of lead agency casework. However, due to the delays in establishing a fully functioning quality assurance process, it cannot yet be determined whether the pilot project will be successful in improving program oversight of lead agencies.

The pilot lead agencies did not undergo state quality assurance reviews for nearly two years because of the problems encountered by Chapin Hall. The department last issued quality assurance reviews for ChildNet and Our Kids in October 2005 and February 2006, respectively. In these reviews, the department found problems with case work practices in both lead agencies.

These problems included not updating goal changes in case plans, not consistently visiting parents who have a goal of reunification with their children, not placing children in foster homes in a manner that minimizes placement disruptions, and not providing services that protect children in their homes and prevent removal. These findings were similar to those in a county-funded annual report on ChildNet that was last issued by the Children's Services Council of Broward County in August 2006. This report involves conducting a small number of case studies from which to draw conclusions about case work practice.<sup>10</sup>

Chapin Hall's September 2007 report determined that ChildNet and Our Kids were in general compliance with program requirements but identified several areas in which the pilot lead agencies needed to improve their case practices. These areas were similar to those found by the prior DCF monitoring reports, and included problems in not involving parents in case planning, inconsistently visiting parents in cases with a goal of family reunification, inadequately documenting the effectiveness of services provided to children and families, insufficiently documenting case reviews by supervisors, and the need to improve placement stability. Due to the almost two-year delay in implementing the new monitoring system, the department had limited information to determine whether the lead agencies had quality management systems in place to identify and correct problems or these problems had been corrected but then reoccurred.

Some required contract deliverables have been delayed or waived. Problems working within the department's quality assurance system, coupled with time spent revising the July draft monitoring report, resulted in Chapin Hall not completing the Florida Child and Family Services Review by September 30 as required by its original contract. The department amended Chapin Hall's contract in November 2007, and the amendment requires Chapin Hall to provide this deliverable as part of

<sup>9</sup> For example, see *Additional Improvements Are Needed as DCF Redesigns Its Lead Agency Oversight Systems*, OPPAGA [Report No. 06-05](#), January 2006; and *Further Contracting Enhancements Would Help DCF Correct Vendor Noncompliance*, OPPAGA [Report No. 06-72](#), December 2006.

<sup>10</sup> This review closely resembles the process used for the Federal Child and Family Services Review. However, it is not a validation review of lead agency quality assurance findings as conducted by the department and Chapin Hall and does not include the same core elements as the department's quality assurance reviews. Instead, it covers different questions that generally assess permanency, safety, and well being.

its December 2007 monitoring report. The department subsequently approved an extension until February 2008 at the request of Our Kids.<sup>11</sup> The November 2007 contract amendment also eliminated a quality assurance monitoring report that was due in October 2007. Since Chapin Hall will now include the in-depth Florida Child and Family Services Review in each monitoring report throughout the year, the additional monitoring report became unnecessary.

Due to delays in monitoring reports, the effectiveness of the pilot in replacing DCF program oversight is unknown at this time. Chapin Hall's quality assurance reviews have only recently resulted in identifying improvements needed in the pilot lead agencies' case work practices. While Chapin Hall's September report gave the pilot lead agencies information they need to change case work practices in a manner that should lead to improved outcomes for children in their care, this was one report which followed a series of reports that were not useful for this purpose. It is therefore too soon to draw conclusions about whether the pilot project demonstrates that outsourcing department oversight will be successful.

***The pilot project shows promise in developing improved performance measures, but these measures have not been finalized***

As required by its contract, Chapin Hall is developing improved performance measures for the child welfare system that will track client outcomes over time. However, Chapin Hall is still in the process of evaluating data as an interim step toward producing a final set of measures. The November contract amendment requires Chapin Hall to have the performance measures completed by August 2008.

The department currently uses eight measures in its contracts with lead agencies:

- the percentage of children not abused or neglected during services,
- the percentage of children not abused or neglected during out-of-home services,

- no more than a specified percentage of children are removed within 12 months of a prior reunification,
- the percentage of children reunified who were reunified within 12 months of the latest removal shall be at least a specified percentage,
- the percentage of child with finalized adoptions within 24 months of removal,
- no more than a specified number of children will be in out-of-home care 12 months or more on June 30, 2007,
- the percentage of adoption goal met will be at least a specified percentage, and
- the percentage of children under supervision who are required to be seen each month shall be seen each month.

While these measures provide useful statewide information, they are less useful in assessing individual lead agency performance in improving children's outcomes over time.

Chapin Hall has reviewed these measures and has identified several weaknesses. It has noted that the current measures are not risk adjusted and all children are treated the same with respect to their movement through the child welfare system. Also, some measures provide a limited view of change in performance over time because they do not assess the likelihood or timeliness of expected results. Finally, the current measures do not capture a full range of outcomes, such as placement stability that affects permanency and well-being outcomes.

Chapin Hall has established a promising process to analyze current data to track outcomes over time. Chapin Hall's subcontractor, the Dimas Group, is using data from the department's child welfare administrative database to provide a comparative analysis of outcome data between the two pilot lead agencies and between these agencies and statewide performance.<sup>12</sup> This analysis includes some of current program measures that evaluate safety and permanency and new measures to evaluate placement stability; disaggregates data by age, length of time in care, and current placement;

<sup>11</sup> Our Kids requested the extension to prepare for the federal Child and Family Services Review in January 2008.

<sup>12</sup> HomeSafenet was the department's former child welfare administrative database. The department replaced this system with Florida Safe Families Network in May 2007.

and provides a longitudinal analysis of each cohort of children. Pilot lead agency and provider staff hold performance improvement meetings every six weeks to discuss the outcome findings, factors in their systems of care that affect the current level of performance for each lead agency, which interventions affect which outcomes, and improvements in case practice needed to address the problems identified by the data.

Chapin Hall staff and the subcontractor intend for this process to lead to developing new performance measures that will better assess the child welfare program and lead agency performance. Chapin Hall has until August 2008 to produce a final set of measures. In the future, Chapin Hall plans to combine the results of its quality assurance reviews with data on performance outcomes to determine the extent to which improved case practice leads to improved outcomes for children in care.

## Recommendations —————

After a year and a half of the three-year pilot project, Chapin Hall has only finalized one quality assurance validation report. This report identified similar problems as were identified in the department's last quality assurance reviews of the pilot lead agencies. Although the department and Chapin Hall appear to have overcome the impediments that prevented Chapin Hall from successfully fulfilling its oversight responsibilities, it is too soon to tell whether this positive trend

will continue and the initiative will show that outsourcing program oversight is an improvement over leaving this responsibility with the department. Chapin Hall is working to develop better performance measures for lead agencies, but is still in the process of evaluating data as an interim step toward producing a final set of measures. Whether these measures will improve lead agency oversight cannot be determined at this time.

To allow sufficient time to assess the impact of the pilot project for the pilot lead agencies and other community-based care lead agencies, we recommend that the Legislature continue the pilot project to June 2009. This would enable Chapin Hall time to implement its proposed changes to quality assurance reviews and for Chapin Hall, the pilot lead agencies, and the department to examine the effectiveness of these approaches in strengthening the child welfare system. It would also allow time for Chapin Hall and the department to develop and implement a stronger performance measurement system.

## Agency Response —————

In accordance with the provisions of s. 11.51(5), *Florida Statutes*, a draft of our report was submitted to the Secretary of the Department of Children and Families for review and response. The Secretary's written response to this report is in Appendix A.

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OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

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## Appendix A

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State of Florida  
Department of Children and Families

Charlie Crist  
Governor

Robert A. Butterworth  
Secretary

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February 13, 2008

Mr. Gary R. VanLandingham, Ph.D.  
Director  
Florida Office of Program Policy Analysis  
and Government Accountability  
The Florida Legislature  
111 West Madison, Room 312  
Tallahassee, Florida 32399-1475

Dear Dr. VanLandingham:

Thank you for the opportunity to respond to your revised report entitled, "*Pilot to Outsource CBC Program Oversight Encountered Setbacks; Effectiveness Unknown.*" Please accept this revised response, and our appreciation for the efforts of your staff in working with us so that we may have a complete and accurate report.

We concur in the report's conclusion and the corresponding recommendation that the pilot be continued through June 2009, in order to allow for full implementation and assessment of pilot success.

Thank you again for the opportunity to work closely with your staff on this report.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Butterworth', is written over a horizontal line. Below the signature, the name 'Robert A Butterworth' and the title 'Secretary' are printed in a black, sans-serif font.

Robert A Butterworth  
Secretary

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Advance Personal and Family Recovery and Resiliency