



WISCONSIN LEGISLATIVE COUNCIL

CHILD WELFARE PROVIDER RATE IMPLEMENTATION

Room 415 Northwest, State Capitol
Madison, Wisconsin

September 23, 2009
1:00 p.m. - 3:15 p.m.

[The following is a summary of the September 23, 2009 meeting of the Special Committee on Child Welfare Provider Rate Implementation. The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.state.wi.us/lc>.]

Call to Order and Roll Call

Chair Grigsby called the meeting to order. The roll was called and it was determined that a quorum was present.

COMMITTEE MEMBERS PRESENT: Rep. Tamara Grigsby, Chair; Sen. Robert Jauch, Vice Chair; Rep. Steve Kestell; Sen. Alberta Darling; and Public Members John Burgess, Susan Conwell, Linda Hall, Amy Herbst, Wanda Montgomery, Bill Orth, Sheila Reichert, and John Tuohy.

COUNCIL STAFF PRESENT: Laura Rose, Deputy Director; and Anne Sappenfield, Senior Staff Attorney.

APPEARANCES: Sen. Fred A. Risser, Co-Chair, Joint Legislative Council; Rep. Marlin D. Schneider, Co-Chair, Joint Legislative Council; Terry C. Anderson, Director, Legislative Council Staff; and Reggie Bicha, Secretary, Department of Children and Families.

Opening Remarks

Senator Risser and Representative Schneider, Co-Chairs, Joint Legislative Council, welcomed the committee and gave a brief summary of the Joint Legislative Council. Terry C. Anderson introduced the Legislative Council staff members assigned to work with the committee. He discussed rules for voting and described the process of reimbursement of expenses. He noted that the committee's meetings will be recorded and available on the Internet.

Introduction of Committee Members

Chair Grigsby introduced herself and welcomed the committee.

Description of Materials Distributed

Laura Rose, Legislative Council Deputy Director, and Anne Sappenfield, Senior Staff Attorney, described Memo No. 1. Mr. Orth said that he would like to have more information on the history of the average treatment foster care administrative rate. Ms. Hall said that she would like to know the most commonly paid rate, especially for treatment foster care. Chair Grigsby said that she wants more information on why the range of rates is so great and why the current system of setting rates is ineffective.

Presentations by Invited Speakers

[Note: Documents referred to by the speakers are posted on the committee's Internet site.]

Reggie Bicha, Secretary, Department of Children and Families (DCF)

Secretary Bicha said that DCF wants to ensure that the rate reimbursement structure to be established under 2009 Wisconsin Act 28 (the 2009 Biennial Budget Act) provisions provides a full range of residential care options children. He said that the initiative created in the budget act will result in more effective use of residential care, better outcomes for children, and more control over the cost of care.

Secretary Bicha said that current licensing requirements for treatment foster homes, group homes, and residential care centers require facilities to meet minimum health and safety standards but do not reflect levels of quality or performance. He also said that the current approach for controlling the cost of out-of-home care is based on the free market model. He said that because Wisconsin's child welfare system is county administered, the free market model is not effective for controlling costs.

Secretary Bicha said that the administrative rate for treatment foster homes and the rates for group homes and residential care centers have risen over 5% annually for the last 10 years. He said that higher rates do not necessarily correlate with higher quality service. In addition, he said that the rate is not tied to outcomes for the children served.

Secretary Bicha also noted that the current methodology does not consider the statewide bed capacity in relation to the needs of the children being served. He said that many state-administered child welfare systems regularly review the types of services needed for children and work with providers to align the services offered with the identified needs.

Representative Grigsby asked whether there is a link between bed capacity in child welfare facilities and needs of children. Secretary Bicha said that analysis is done on an individual basis by the Bureau of Milwaukee Child Welfare and counties. He said individual providers consider the needs of children in the community or the state, as well. However, he said, on a statewide basis, DCF has not looked at the types of children who need various forms of out-of-home care. He said that the current rate structure subsidizes the cost of empty beds while there may not be enough beds for a certain population.

Mr. Orth said that it makes sense to develop a tool to assess each child in order to determine the best placement, but it is not easy to develop such a tool. Secretary Bicha said that other states do such assessments and that a recent survey of Milwaukee County indicates that many children in residential care would be more appropriately placed in foster care homes.

Senator Darling asked whether there are states with model systems for setting rates. Secretary Bicha said that the committee could ask the Casey Family Foundation, the Child Welfare League of America, and the Alliance for information. Senator Darling said it would also be interesting to hear from some counties that are doing a good job negotiating rates. Ms. Hall said that there are providers who are measuring their outcomes and talking to counties about the effectiveness of their services.

Ms. Conwell said that there is variation among providers regarding what services they believe they are responsible for providing. Secretary Bicha said that the committee may wish to make recommendations concerning that issue.

Ms. Montgomery said that the state should have standard expectations for outcomes and evaluation for providers.

Mr. Tuohy said that DCF has commissioned an actuarial study of different types of rates and providers' service packages.

Mr. Burgess said that the current rate setting system does not reward quality. He said that the factors for analyzing a provider's proposed rate set forth in the budget act are legitimate, but he is concerned that DCF's rate setting proposal could have unintended consequences such as limiting options.

Discussion of Committee Assignment

Senator Darling said that she would like to hear from the Casey Family Foundation and the National Conference of State Legislatures (NCSL) to find out what are the committee's options. Representative Kestell said that he would also like to hear from NCSL and that he believes the state should be able to expect quality and set a price based upon the service offered. Ms. Hall said that she recommends that the committee invite speakers from the Family Partnership Initiative and Anu Family Services.

Mr. Burgess said that his agency serves both Wisconsin and Minnesota and that the Minnesota system is also county based, but encourages more discussion between the county and the provider.

Mr. Orth said that it would be interesting to see data on rates, services offered, and outcomes by provider. He also said he is interested in what tools are available to assess the level of care a child may need.

Ms. Herbst said that there is a large group of treatment foster care agencies that have created outcomes that they share with each other. She said that this group may be a good resource for the committee.

Ms. Hall said the committee should think about how to have good transitions and successful reintegration for children placed in residential care as a way to decrease the number of placements. In addition, she noted that best practices change over time due to factors such as research on brain development. She said any structure to measure quality or outcomes should be designed so that it does not stifle emerging best practices.

Chair Grigsby said that she views the committee as an opportunity to determine the types of services providers should deliver. She said she would like to hear from consumers of residential care services.

Mr. Tuohy said there are several factors the committee should consider as it goes forward. He said that the treatment foster care caseload has been increasing over the past 10 years, and that, in the last few years, some shift-staffed treatment foster homes have been established. He said that the group home and residential care populations have decreased a little in the past years. The largest decrease in placements has been to family foster homes. He said that the needs of the populations served vary over time.

Mr. Touhy noted that residential care centers often serve a statewide population and have out-of-state and private-pay placements, as well as Wisconsin child welfare placements. He said that group homes often have a regional market. He said that different counties have different approaches in accessing services and that smaller counties are frequently unable to leverage individual services.

One issue Mr. Tuohy also noted is that DCF or a county must pay a foster parent for extra services the foster parent provides that cannot be covered by the rate paid to the foster parent. When a foster parent is reimbursed for services, the Internal Revenue Service considers the reimbursement to be taxable income. Mr. Tuohy said that the committee may wish to consider whether the \$2,000 cap on payments to foster parents is too low.

Other Business

There was no other business brought before the committee.

Plans for Future Meetings

The next meeting of the Special Committee will be determined at a later date.

Adjournment

The meeting was adjourned at 3:15 p.m.

AS:ksm