

WAFCA Proposed Edits to the Report of the Special Committee on Child Welfare Provider Rate Implementation

[Insert after second paragraph on page 2]

Throughout the course of the Committee's deliberations, witnesses shared information that pointed to strengths and weaknesses in Wisconsin's current out-of-home care continuum. The Committee determined that the design of a new child welfare rate setting methodology presents an opportunity to preserve what is working and to promote positive change in areas in need of improvement. In addition the Committee identified a number of related policy issues that impact child welfare funding and system operations that are beyond the scope of the Committee's charge, yet worthy of future study.

~~At its January 20, 2010 meeting, the Special Committee voted to recommend the following principles for child welfare rate setting:~~

Child Welfare Provider Rate Setting Principles

As the Committee considered the most effective way to inform DCF's rate setting process going forward, the Committee identified a series of core principles, drawn from the Committee members and testimony, that should guide future discussions of child welfare rate setting. At the January 20, 2010 meeting, the Special Committee voted to recommend the following:

Wisconsin's child welfare rate setting system should:

[List Principles from Page 2]

[Edit Principles on Page 3 as follows]

- Maximize alternate revenue streams, while preserving state and county financial commitment to support reinvestment in prevention and early intervention:
 - Maximize alternate revenue streams such as Medical Assistance, public health, Wisconsin Works, and education funding.
 - Reinvest savings in out-of-home care into funding for prevention and early intervention services for children and their families so that out-of-home care costs remain lower over the long term.
- Promote ~~financing~~ and rate-setting system integrity by ensuring sufficient administrative support for DCF, counties and ~~for~~ agencies to comply with expectations of the rate-setting process:
 - ~~○ Funding that fully supports the rate methodology.~~
 - Funding that reflects state, county and provider costs to collect and manage data needed to support quality child welfare ~~funding~~ financing decisions.
 - Funding that reflects DCF, county and agency costs to implement the new methodology.
 - ~~○ Funding that reflects historical accounting of providers' cost and agency cost drivers with limits on administration costs and profit.~~
- Promote efficient expenditure of child welfare dollars, while using data and outcomes reporting to support funding necessary to deliver quality, individualized services to all children served by the out-of-home care system.

- Funding that fully supports the rate methodology.
- Funding that reflects historical accounting of providers' cost and agency cost drivers with limits on administration costs and profit.
- Funding to support implementation of best practice.
- Promote accountability for agency performance by developing performance-based contracting ~~thoughtful~~ measures that ultimately connect outcomes to agency compensation:
 - Develop a standardized set of performance measures.
 - Identify factors necessary to achieve goals that are within the control of providers.
 - Allow flexibility for agencies to spend dollars in ways that work for them.
- Outline clear roles for the state, counties, and providers in developing reimbursement methodologies and determining accountability for outcomes:
 - Establish clearly defined roles for the state, counties, and providers in setting reimbursement amounts.
 - Establish clearly defined roles for the state, counties, and providers in achieving goals for high-quality services.

[Add to end of report]

Additional Issues for Future Legislative Study and Action

In addition to discussions regarding rate setting, the Special Committee also received testimony and discussed issues that impact child welfare funding and the provider continuum that were deemed beyond the scope of the Special Committee. Of those items, the Committee recommends further consideration of the following issues by DCF, stakeholders and policymakers:

- *Education Funding.* Under current law, education services provided in residential care are funded by counties. Possible modifications to RCC education funding include: taking dollars off the top of the school aids formula to fund residential care educational funding and IDEA education for youth ages 4 to 21; and require Medical Assistance to fund speech and occupational therapy especially as related to IDEA education.
- *Role of Group Homes.* Members of the Committee and providers presenting testimony concurred that there should be further study of the role of group homes in the care continuum.
- *Stabilization.* Recent changes to the funding of services provided by mental health institutes presents a need to modify statutes and administrative rules to allow for improved and more diverse community-based crisis services.
- *Certificate of Need.* The change in rate setting has implications for all elements of child welfare provider business administration. One element raised for further consideration is modification to the current certificate of need process to increase flexibility in the ratio of in-state to out-of-state children to more readily accommodate requests for care that are cost neutral to the state or allow for increased state revenue.