



London Breed, Mayor

Department of Human Services  
 Department of Aging and Adult Services  
 Office of Early Care and Education

Trent Rhorer, Executive Director

**MEMORANDUM**

**TO:** HUMAN SERVICES COMMISSION

**THROUGH:** TRENT RHORER, EXECUTIVE DIRECTOR

**FROM:** JOAN MILLER, DEPUTY DIRECTOR  
 JOHN TSUTAKAWA, DIRECTOR OF CONTRACTS *scj*

**DATE:** AUGUST 22, 2019

**SUBJECT:** NEW GRANTS: INCENTIVE PAYMENTS FOR PERFORMANCE  
 BASED CONTRACTING:  
**FAMILY BUILDERS BY ADOPTION**  
**CATHOLIC CHARITITES ST. VINCENTS SCHOOL FOR BOYS**

**GRANT TERM:** 9/1/19-6/30/20

**GRANT AMOUNTS:** See Chart Below

<b>Funding Source</b>	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Contingency</u>	<u>Total</u>
<b>FUNDING:</b>	\$188,239				\$188,239
<b>PERCENTAGE:</b>	100%				100%

The Human Services Agency (HSA) requests authorization to enter into new grants with Family Builders by Adoption and Catholic Charities St. Vincent School for Boys for the period of September 1, 2019 to June 30, 2020, each for the amounts listed below and not to exceed \$188,239.

The purpose of these grants is to make one-time incentive payments to two of the five agencies that participated in the performance based contracting project and achieved improvements in child welfare outcomes.

<b>Grantee</b>	<b>FY19/20</b>
Family Builders by Adoption	\$ 74,256
Catholic Charities/St. Vincent School for Boys	\$113,983
<b>TOTAL</b>	<b>\$188,239</b>

**Background**

From 2013 to the present, HSA implemented an initiative to reward private foster care agencies for improved performance on targeted foster care outcomes. Five providers participated in the project and these two demonstrated improved outcomes.

Each provider participated since the inception of the initiative, including meetings as early as 2011 with HSA, Casey Family Programs, and Chapin Hall at the University of Chicago. Using data showing their historic performance, each provider identified brief plans that described their own performance improvement goals and how to reach them.

For the first formal 24-month review period, which culminated this fiscal year, these agencies showed positive changes in their child welfare performance, specifically around permanency outcomes for children; Of the children they served in their programs, they saw increased reunification, guardianship, or adoption, step down to family settings, fewer children reentering foster care, and/or fewer days in care before transition to permanency.

Typically, there is a fiscal disincentive for providers to achieve these kind of outcomes, as it means that there will be empty beds for which the agencies are not receiving foster care payments. Working with Chapin Hall and HSA Planning, these improvements were monetized into the grants before the Commission today for approval.

### **Services Provided**

Each agency participated in the initiative as follows:

1. Provided the child welfare services, each unique to their grant or placement agreements with San Francisco. Child welfare services included residential placement, case management, family and team meetings, and foster family services.
2. Participated in multiple meetings and planning sessions to develop and review the project
3. Worked with SFHSA and Chapin Hall to understand performance baselines
4. Identified child welfare improvement plans specific to their individual agencies
5. Monitored semi-annual outcome reports to better understand and track their performance over time.
6. It is understood that those agencies showing improvements from baseline performance would receive incentive payments corresponding to their reduced use of foster care.

### **Selection**

Providers were invited to participate in the initiative as the primary providers of child welfare foster placement and services for the City and County of San Francisco.

### **Funding**

The funding to support the contract is provided by County funds.

### **ATTACHMENTS**

Appendix A – Services to be Provided

Appendix B – Calculation of Charges

**Appendix A– Services to be Provided  
Performance Based Contracting  
September 1, 2019 – June 30, 2020**

**I. Purpose of Grant**

To test the use of Performance Based Contracting in improving outcomes for dependent children in out-of-home placement. Placement agencies are compensated based on actual length of stay, therefore, counter incentives are intended for agencies to support children exiting care and having shorter lengths of stays.

**II. Definitions**

Chapin Hall	Chapin Hall at University of Chicago, the contractor responsible for PBC model
CARBON	Contracts Administration, Billing and Reporting Online system
FCS	Family & Children Services Division of the San Francisco Human Services Agency
FFA	Foster Family Agency
GRANTEES	Family Builders by Adoption, Catholic Charities/St. Vincent Home for Boys
PBC	Performance Based Contracting

**III. Target Population**

Dependent Children, in out-of-home care served by the major Family Foster Agencies and residential care programs serving San Francisco County

**IV. Description of Services.**

- A. Participation in PBC evaluation program. Grantees will:
  - 1. Participate in the planning of PBC initiative.
  - 2. Submit a performance improvement plan.
  - 3. Participate in meetings with HSA and Chapin Hall to monitor progress on outcomes.
- B. Foster care services. Grantees will:
  - 1. Continue to provide for care for dependent children placed with them as established through the state approved foster care system
  - 2. Develop and maintain practices and policies that will improve outcomes for dependent children in care.
- C. Evaluation
  - 1. Chapin Hall will conduct the evaluation including establishing initial baselines.

2. Chapin Hall will gather and evaluate placement data and outcomes for participating agencies
3. Chapin Hall will analyze the overall cost savings based on exits and decreases in length of stay compared to the baselines.
4. Chapin Hall will produce a report showing the yearly changes in outcome performance.
5. Chapin Hall will make recommendations regarding payment incentives for those agencies achieving over net improvements in client outcomes.

**V. Outcome Objectives**

The evaluation will track the following outcomes. Participating agencies will be compensated for positive changes relative to their prior (baseline) performance on these client outcomes based on the research methodology.

- A. Exits to permanency – Reunification, Legal Guardianship, and Adoption are permanent outcomes for children.
- B. Non-permanent exits – any exit other than to reunification, guardianship, or adoption
- C. Transfers to other agencies – distinct from placement moves. Transfers are grouped into two types:
  - o Step-downs – Step-downs to lower levels of care support the goal of least restrictive placement for children.
  - o Lateral or step up – These represent additional placement moves as well as higher level of care.
- D. Stability (1-2) placements within provider – Limiting the number of placement moves for a child creates continuity and decreases emotional trauma.
- E. Re-entry – The return of a child from their parents back into foster care within 12 months of reunification. This is a negative outcome and demonstrates the lack of success in family reunification.

**VI. Reporting Requirements**

- A. Grantees will provide data and reports as requested by HSA or Chapin Hall.
- B. For assistance with reporting requirements or submission of reports, contact:  
 Johanna.Gendelman@sfgov.org  
 Contract Manager, Office of Contract Management  
 and  
 Bridgette.Lery@sfgov.org  
 Director of Research and Evaluation, Human Services Agency

## Appendix B-Method of Payment

### Payment

Each agency that achieved improvement on targeted outcomes will receive a one-time only payment for foster care services provided from the time period September 1, 2019 to June 30, 2020. The payment is for the performance during the time period July 1, 2016 to June 30, 2018. Each agency will invoice one time only for the full amount by June 30, 2020.

Payment includes, but is not limited to, improvements relative to each provider agency's baseline performance in the following:

1. Reduced days of out-of-home care
2. Increase in exits to permanency
3. Reduction in returns to care
4. Step-downs to lower levels of care