



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 *JKJ*

**DATE:** MAY 19, 2019

**SUBJECT:** CONTRACT MODIFICATION: **CHAPIN HALL at the UNIVERSITY OF CHICAGO (NON-PROFIT) FOR PERFORMANCE-BASED CONTRACTING INITIATIVE FOR FOSTER CARE SERVICES**

<b>CONTRACT TERM:</b>	<u>Current</u> 7/1/17-6/30/19	<u>Modification</u> 7/1/19-6/30/2020	<u>Contingency</u>	<u>Total</u>	
<b>CONTRACT AMOUNT:</b>	\$100,000	\$50,000	\$15,000	\$165,000	
<b>ANNUAL AMOUNT:</b>	<u>FY 17/18</u> \$50,000	<u>FY 18/19</u> \$50,000	<u>FY 19/20</u> \$50,000		
<b>FUNDING SOURCE:</b>	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Contingency</u>	<u>Total</u>
<b>MODIFICATION FUNDING:</b>	\$112,500	\$18,000	\$19,500	\$15,000	\$165,000
<b>PERCENTAGE:</b>	75%	12%	13%		100%

The Department of Human Services (HSA) requests authorization to modify the contract with Chapin Hall at the University of Chicago for the period of July 1, 2019 to June 30, 2020, in an additional amount of \$50,000 plus a 10% contingency for a total contract amount not to exceed \$165,000. The purpose of the contract is to collaborate with San Francisco’s Human Services Agency (SFHSA) to design and implement a performance-based contracting (PBC) model for foster care services provided by private provider agencies.

**Background**

HSA monitors outcomes achieved on behalf of children placed in out-of-home care by the agencies working with SFHSA. Under PBC, HSA provides outcome reports at regular intervals to these providers to support their continuous quality improvement (CQI) processes and other efforts to improve outcomes. PBC seeks to minimize the fiscal consequences associated with reductions in the use of foster care through reinvestment.

The PBC initiative goals and objectives blended with other activities conducted under the Title IV-E Waiver, the federal fiscal mechanism ending in September that allows SFHSA to provide prevention and aftercare services with any savings reaped by reducing the use of foster care. The PBC model measures outcomes performance for each provider during a baseline period, then monitors changes and monetizes care days so that if providers improve outcomes in the form of reducing care days without adverse consequences, they can retain those savings and reinvest into better services for children and their families.

The initiative began in 2013 and had three phases:

In **Phase I**, HSA decided to pursue PBC as a Title IV-E Waiver strategy in 2014 and contracted with Chapin Hall at the University of Chicago to produce provider-level child outcomes reports and provide technical assistance. During this phase, providers began examining their outcomes reports, called BTA's (Baselines, Targets, Actuals) in consultation with Chapin Hall and HSA in order to understand their historic performance on the key outcomes that are aligned with federal and state policy.

**Phase II** began in FY 16-17 and was the start of a "hold-harmless", i.e., penalty-free period. Now that the providers were accustomed to viewing their performance in this transparent way, HSA set out to observe a full two years of performance with expectations for improvement but without fiscal penalties if performance declined. Providers submitted brief plans that described their own performance improvement goals and plans to achieve them.

**Phase III**, begins in FY 18-19, having now observed the full two years of the performance window relative to each provider's baseline performance. The change in performance has been monetized in a fiscal model.

The IV-E Wavier ends in September 2019, eliminating the fiscal flexibility to retain savings from reduced use of foster care and returning a portion of those savings to the providers. During this year of this project, the Department will consider how the CQI process of measuring and monitoring child outcomes at the provider level and regularly reviewing that progress with providers can be sustained.

### **Services to be Provided**

The Contractor will continue to engage in activities related to evaluating the performance of private foster care provider agencies in improving targeted child welfare outcomes. The work falls into two primary areas – analysis and technical assistance.

Chapin Hall will provide analytic files from San Francisco's child welfare administrative data that allows for the measurement of key child welfare outcomes at the provider level. They will analyze the data related to key outcomes of length of stay in foster care, permanency, reentry, placement moves, and agency transfers at the provider level, and develop reports detailing each agency's performance against their own historic baseline performance on the target outcomes. They will conduct additional analyses, as requested, using the analytic file.

Chapin Hall will provide technical assistance to SFHSA program, contracts, budget, and fiscal staff on iterating the specifications of the program and fiscal aspects of the model. This includes phone

consultation and attending key meetings, as requested. They will discuss among SFHSA staff and private provider agency staff on interpreting the reports and using them to enhance services toward better outcomes. Finally, the Contractor will recommend ways to sustain the Department's ability to monitor foster care provider agency performance.

**Performance**

Chapin Hall has met all contract deliverables. The contractor has delivered cleaned, prepared analytic files from administrative data and reports from those files on a regular, semi-annual basis. The contractor has been responsive, making modifications to the data model as needed and has provided helpful technical consultation to HSA leadership on the fiscal model design.

**Location of Services**

Services will be offered under the auspices of Chapin Hall at the University of Chicago:  
1313 East 60th Street, Chicago, IL, 60637.

However, meetings related to the project may occur at HSA offices or those of community partners, as necessary and appropriate.

**Selection**

The work for the Performance-Based Contracting (PBC) model was sole sourced to the Contractor in 2013 because of its history of nationwide leadership and expertise on this initiative. The sole source justification continues through this modification and was approved this year by the Office of Contract Administration.

**Funding**

Funding for this contract is provided through Federal, State and local General Funds.

**ATTACHMENTS**

- Appendix A-1: Services to be Provided
- Appendix B-1 Program Budget

**Appendix A - Services to be Provided  
Chapin Hall at the University of Chicago  
Performance Based Contracting  
July 1, 2017 – June 30, 2020  
Updated July 1, 2019**

**I. Purpose of Contract**

The Contractor will collaborate with San Francisco’s Human Services Agency (SFHSA) to design a performance based contracting (PBC) model for foster care services provided by private provider agencies. The purpose is to improve outcomes for children in foster care by directly tying outcomes to fiscal incentives. Under PBC, child welfare financing can be restructured to incent providers to improve child outcomes if they are able to retain savings realized from reducing volume, duration, and unit cost. The Contractor’s specific role is to analyze administrative data and provide technical assistance to SFHSA on developing the model and disseminating complex analysis results to SFHSA staff and provider agencies. The purpose of the data analysis is to determine provider performance on targeted foster care outcomes relative to the providers’ baselines, and monitor their progress over time, from which incentive payments for performance improvement and possible penalties for performance declines will be determined. Joint collaboration between the Contractor and SFHSA will yield a PBC model for foster care services provided by private provider agencies that will improve outcomes for children in care.

In the proposed final year, the Contractor will recommend ways to sustain SFHSA’s ability to monitor foster care provider agency performance.

**II. Definitions**

PBC	Performance Based Contracting
FCS	Family and Children’s Services Division of the Human Services Agency of the City and County of San Francisco
Contractor	Chapin Hall at the University of Chicago
SFHSA	Human Services Agency of the City and County of San Francisco

**III. Description of Services**

The Contractor will engage in activities related to evaluating the performance of private foster care provider agencies in improving targeted child welfare outcomes. They will engage in activities including:

- A. Twice per year, prepare an analytic data file from San Francisco's child welfare administrative data that allows for the measurement of key child welfare outcomes at the provider level.
- B. Analyze the data related to key outcomes of length of stay in foster care, permanency, reentry, placement moves, and agency transfers at the provider level.
- C. Develop reports detailing each agency's performance against their own historic baseline performance on the target outcomes.
- D. Conduct additional analyses, as requested, using the analytic data file.
- E. Provide technical consultation to SFHSA program, contracts, budget, and fiscal staff on developing the specifications of the program and fiscal aspects of the model.
- F. Attend key meetings, as requested, and facilitate discussions among SFHSA staff and private provider agency staff on interpreting the reports and using them to enhance services toward better outcomes.
- G. Provide technical assistance to SFHSA on ways to sustain monitoring provider agency performance.

**IV. Location and Time of Services**

Services will be offered under the auspices of Chapin Hall at the University of Chicago: 1313 East 60<sup>th</sup> Street, Chicago, IL, 60637. However, meetings related to the project may occur at SFHSA offices.

**V. Deliverables**

- A. Clean and analyze data from SFHSA's child welfare administrative data system.
- B. Produce reports generated from the resulting analytic file that describe provider-level performance on the target outcomes.
- C. Provide consultation to SFHSA on specifying the program and fiscal aspects of the PBC model, as well as implementation strategy.
- D. Participate in provider meetings to discuss their performance outcomes reports.

**VI. Reporting Requirements**

- A. Contractor will provide a monthly report of activities, when activities occur within that month, referencing the tasks as described in Section V & VI- Service and Outcome Objectives. Contractor will provide monthly metrics for these objectives:
  - 1. Clean and analyze data from SFHSA's child welfare administrative data system.
  - 2. Provide consultation to SFHSA on specifying the program and fiscal aspects of the PBC model, as well as implementation strategy.

B. Bi-annual reports produced by the Contractor on provider performance on length of stay, permanency, and reentry to foster care, as well as placement moves and agency transfers will be used to establish a performance baseline from which incentive payments for performance improvement and possible penalties for performance declines will be determined.

C. 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