



**MEMORANDUM**

TO: HUMAN SERVICES COMMISSION

THROUGH: TRENT RHORER, EXECUTIVE DIRECTOR

FROM: SYLVIA DEPORTO, DEPUTY DIRECTOR  
JOHN TSUTAKAWA, DIRECTOR OF CONTRACTS *J41*

DATE: JUNE 16, 2017

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

	<u>Current</u>	<u>Contingency</u>	<u>Total</u>
CONTRACT TERM:	7/1/17 – 6/30/19		
TOTAL CONTRACT AMOUNT:	\$100,000	\$10,000	\$110,000

	<u>FY 17/18</u>	<u>FY18/19</u>
ANNUAL AMOUNT:	\$50,000	\$50,000

Funding Source	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Contingency</u>	<u>Total</u>
CONTRACT FUNDING:	\$75,000	\$12,000	\$13,000	\$10,000	\$110,000
PERCENTAGE:	75%	12%	13%		100%

The Department of Human Services (DHS) requests authorization to enter into a new contract with Chapin Hall at the University of Chicago for the period of July 1, 2017 to June 30, 2019 in the amount of \$100,000 plus a 10% contingency for a total grant amount not to exceed \$110,000. The purpose of the contract is to 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.

## **Background**

In November 2013, SFHSA staff identified a need to improve outcomes for children in foster care by directly tying outcomes to fiscal incentives. Under performance-based contracting (PBC), child welfare financing can be restructured to provide incentives to providers to improve child outcomes if they are able to retain savings realized from reducing volume, duration, and unit cost. Data is analyzed to determine provider baseline performance on targeted foster care outcomes, and monitor their progress over time, from which incentive payments for performance improvement and penalties for performance declines will be determined. The process of measuring and monitoring outcomes over time at the provider level, coupled with fiscal incentives, will create room for service improvements that are otherwise constrained in a fee-for-service system. PBC is a specific area of expertise for the Contractor, who provides similar type services nationwide. The Contractor has collaborated with the Department on this initiative since December 2013.

## **Services to be Provided**

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.

The Department anticipates implementation of performance-based contracting for foster care services with private provider agencies on January 1, 2018.

## **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 SFHSA 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 as a result of its unique and well-documented experience with similar type services nationwide as well as its high compatibility with Department needs. The sole source justification continues through the new contract.

**Funding**

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

**ATTACHMENTS**

Appendix A: Services to be Provided

Appendix B Program Budget

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

**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.

**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. Service Objectives**

Contractor will meet the following service objectives:

- 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. Outcome Objectives**

- A. 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.
- B. 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.

**VII. 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 enter the monthly metrics in the Contracts Administration, Reporting, and Billing Online (CARBON) database by the 15th of the following month 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. Contractor will provide a quarterly report of activities, when activities occur, referencing the tasks as described in Section V & VI- Service and Outcome Objectives. Contractor will enter the quarterly metrics in the CARBON database by the 15th of the month following the end of the quarter for this objective:
1. Produce reports generated from the resulting analytic file that describe provider-level performance on the target outcomes.
- C. For assistance with reporting requirements or submission of reports, contact:

David.Flores@sfgov.org  
Principal Administrative Analyst, Office of Contract Management  
or  
Dan.Kelly@sfgov.org  
Director of Planning, Human Services Agency

A	B	C	D	E	F	G
<b>HUMAN SERVICES AGENCY</b> <b>BUDGET SUMMARY BY PROGRAM</b>						
Name		Chapin Hall at the University of Chicago			Term	
					07/01/2017 - 6/30/2019	
7	(Check One) New <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification <input type="checkbox"/>					
8	If modification, Effective Date of Mod.	No. of Mod.				
9	Program: Performance Based Contracting 2017 - 2019					
10	Budget Reference Page No.(s)	07/01/17 - 06/30/18	07/01/18 - 06/30/19			
11	Program Term	Total				
12	<b>Expenditures</b>					
13	Salaries & Benefits	\$31,222	\$32,265			\$63,486
14	Operating Expense	\$8,779	\$7,735			\$16,514
15	<b>Subtotal</b>	\$40,001	\$40,000			\$80,000
16	Indirect Percentage (%)	25%	25%			
17	Indirect Cost (Line 16 X Line 15)	\$10,000	\$10,000			\$20,000
18	Capital Expenditure	\$0	\$0			\$0
19	Total Expenditures	\$50,000	\$50,000			\$100,000
20	<b>HSA Revenues</b>					
21	CWS Federal IV-E Waiver	\$50,000	\$50,000			\$100,000
22						
23						
24						
25						
26						
27						
28						
29	<b>TOTAL HSA REVENUES</b>	\$50,000	\$50,000			\$100,000
30	<b>Other Revenues</b>					
31						
32						
33						
34						
35						
36	Total Revenues	\$0	\$0			\$0
37	Full Time Equivalent (FTE)	0.42	0.42			
39	Prepared by: Lynda Martinez	Telephone No.: 773-256-5233			6/1/2017	
40	HSA-CO Review Signature:					
41	HSA #1	6/1/2017				

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A	B	C	E	F	G	H	I	J	K	
1										
2										
3										
4	Program Name: Performance-Based Contracting 7/1/15 - 6/30/17									
5	Appendix B, Page 2									
6	Document Date: 6/1/2017									
7										
8										
9										
10										
11										
	<b>Salaries &amp; Benefits Detail</b>									
	07/01/17 - 06/30/18    07/01/18 - 06/30/19    For DHS Program    For DHS Program    TOTAL									
		Agency Totals		For HSA Program		For DHS Program		For DHS Program		TOTAL
	POSITION TITLE	Annual Full Time Salary for FTE	Total % FTE	Adjusted FTE	Budgeted Salary	Budgeted Salary	Budgeted Salary	Budgeted Salary		07/01/17 to 6/30/19
12	Principal Investigator	\$259,540	100%	3%	\$3,327	\$3,327	\$3,427	\$3,427		\$6,755
13	Senior Researcher	\$87,627	100%	15%	\$6,381	\$6,381	\$6,573	\$6,573		\$12,954
14	Senior Researcher	\$111,184	100%	15%	\$8,096	\$8,096	\$8,339	\$8,339		\$16,435
15	Project Coordinator	\$51,500	100%	4%	\$1,083	\$1,083	\$1,115	\$1,115		\$2,198
16	Sr. Database Administrator	\$106,748	100%	5%	\$2,847	\$2,847	\$2,932	\$2,932		\$5,779
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30	TOTALS	\$616,599	5.00	0.42	\$21,734	\$21,734	\$22,386	\$22,386		\$44,121
31										
32	FRINGE BENEFIT RATE	40%			\$9,487	\$9,487	\$9,878	\$9,878		\$19,365
33	EMPLOYEE FRINGE BENEFITS				\$31,222	\$31,222	\$32,265	\$32,265	\$0	\$63,486
34										
35										
36	TOTAL SALARIES & BENEFITS				\$32,265	\$32,265	\$32,265	\$32,265	\$0	\$63,486
37	HSA #2									6/1/2017



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Appendix B, Page 3														
2	Document Date:														
3	6/1/2017														
4	Program Name: Performance-Based Contracting 7/1/15 - 6/30/17														
5															
6															
7															
8															
9															
10															
11															
12	Expenditure Category	TERM	07/01/17 - 06/30/18	07/01/18 - 06/30/19											TOTAL
13	Rental of Property														\$ -
14	Utilities(Elec, Water, Gas, Phone, Scavenger)														\$ -
15	Office Supplies, Postage		\$1,530	1,581											\$ 3,111
16	Building Maintenance Supplies and Repair														\$ -
17	Printing and Reproduction														\$ -
18	Insurance														\$ -
19	Staff Training														\$ -
20	Staff Travel-(Local & Out of Town)		\$2,659	1,412											\$ 4,071
21	Rental of Equipment														\$ -
22	CONSULTANT/SUBCONTRACTOR DESCRIPTIVE TITLE														
23															\$ -
24															\$ -
25															\$ -
26															\$ -
27															\$ -
28	OTHER														
29	IT Services		\$2,560	\$2,646											\$ 5,206
30	Research Services		\$2,029	\$2,097											\$ 4,126
31															\$ -
32															\$ -
33															\$ -
34															\$ -
35	TOTAL OPERATING EXPENSE		\$8,779	\$7,735											\$ 16,514
36															
37	HSA #3														6/1/2017