



WISCONSIN LEGISLATIVE COUNCIL

CHILD WELFARE PROVIDER RATE IMPLEMENTATION

Room 225 Northwest, State Capitol
Madison, Wisconsin

January 20, 2010
10:00 a.m. – 1:15 p.m.

[The following is a summary of the January 20, 2010 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. Alberta Darling; Rep. Steve Kestell; and Public Members John Burgess, Susan Conwell, Linda Hall, Amy Herbst, Bill Orth, Sheila Reichert, and John Tuohy.

COMMITTEE MEMBERS EXCUSED: Sen. Robert Jauch, Vice Chair; and Public Member Wanda Montgomery.

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

Approval of the Minutes of the Committee's December 17, 2009 Meeting

Chair Grigsby moved, seconded by Representative Kestell, to approve the summary of proceedings of the December 17, 2009 meeting. The motion carried by unanimous consent.

<p>*ATTENTION: This was the final meeting of the Special Committee on Child Welfare Provider Rate Implementation. Committee members are requested to send any corrections regarding these Minutes to the Legislative Council staff. After the incorporation of any corrections, these Minutes will be considered approved by the committee.</p>
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Memo No. 6, Draft Language for Committee Report of Recommended Principles for Child Welfare Rate Setting (January 13, 2010).

Ms. Sappenfield described Memo No. 6. Ms. Hall described the changes to the Memo that were set forth in a handout she prepared for the committee. She said the changes would group together recommendations relating to principles for rate setting, those relating to performance-based contracting, and those relating to funding. She also recommended adding the list of items for future legislative study that is included in her handout to the committee. There was consensus to make the changes Ms. Hall recommended.

Ms. Sappenfield asked if the committee would like to include in the recommendations a request for the Department of Children and Families (DCF) to report its progress on rate setting and performance-based contracting to the standing committees of the Legislature with jurisdiction over child welfare issues. There was consensus to include this in the recommendations.

Mr. Tuohy said many of the recommendations included in Memo No. 6 relate to broader child welfare issues than rate regulation. Ms. Hall said she views the list of recommendations as principles, not directives to the DCF. Mr. Tuohy discussed several items in Memo No. 6 that he believes go beyond the committee's scope.

Mr. Tuohy said the recommendation to incorporate aftercare in the rate payment amount to recognize the importance of managing transitions should be a recommendation for a statutory change because aftercare is not currently included in the per client rate charged by group homes and residential care centers (RCCs) for children and youth. Mr. Orth said that he would like to have that recommendation removed because a county may wish to purchase aftercare separately or provide aftercare services. Ms. Sappenfield asked if the committee would like to rewrite the recommendation as, "Recognize the importance of managing transitions through services such as aftercare." There was consensus to make this change.

Ms. Conwell said she thought the recommendation to acknowledge start-up costs for new organizations should include a phrase such as "based on need." Ms. Sappenfield asked if the committee would like to rewrite the recommendation as, "Acknowledge start-up costs for new organizations that will address identified needs in services or capacity." There was consensus to make this change.

Mr. Tuohy requested that the committee add as recommendations:

- Categorize providers based upon the services they offer and the profile of the clients they serve.
- Provide clear and consistent policy expectations to all providers based upon the type and level of services they offer.
- Research and articulate models for implementing performance-based contracting.

There was consensus to add the recommendations.

Ms. Conwell requested including a request for DCF to report to the appropriate standing committees of the Legislature information on improving the quality of services provided in group homes. There was consensus to add this recommendation.

WLC: 0444/1, relating to factors the department of children and families must consider in reviewing proposed child welfare rates.

Ms. Sappenfield described WLC: 0444/1. Ms. Hall said she wanted to add language to the provision of the draft that would require DCF to consider whether the provider was accredited by a national accrediting body to specify that the national accrediting body has developed child welfare standards. There was consensus to make this change and to include this draft in the committee's final recommendation.

WLC: 0445/1, relating to exempting child welfare agencies, group homes, and residential care centers for children and youth from surplus limitations under a contract for rate-based services with the department of children and families or a county department.

Ms. Sappenfield described WLC: 0445/1. Mr. Tuohy said he was concerned that the draft created a blanket exception to the reserves limitation for group homes, RCCs, and child welfare agencies. He also raised concerns that eliminating the overall reserves limitation could be a violation of federal law. He suggested that group homes, RCCs, and child welfare agencies could be exempted from the reserves limitation for the contract period and that DCF could grant exceptions for these providers regarding the overall reserves limitation. There was consensus to make this change and to include this draft in the committee's final recommendation.

WLC: 0446/1, relating to appeals for child welfare provider rates.

Ms. Sappenfield described WLC: 0446/1. Ms. Hall said she did not support eliminating the requirement for mediation between a provider and DCF to arrive at an agreed-to rate. Mr. Tuohy said he thinks mediation is the best way to resolve most disputes. There was consensus to rewrite the draft to require DCF to order a rate if both negotiations and mediation failed to produce an agreed-to rate. There was consensus to include this draft in the committee's final recommendation.

WLC: 0447/1, relating to representation of providers of residential services to children in developing administrative rules to govern the establishment of rates for those services.

Ms. Rose described WLC: 0447/1. She asked the committee if there should be one advisory committee for both rate-setting and performance-based contracting. Ms. Hall said that there should be only one advisory committee. She also suggested including in the required membership the Wisconsin Association of Family and Children's Agencies and the Wisconsin Counties Association. Chair Grigsby said she is rarely comfortable including an organization's name in the statutes. There was agreement that Ms. Hall would send Ms. Rose a more specific description of her organization for the final bill draft.

Mr. Orth said he would be comfortable replacing the requirement to have provider representatives on the committee with a requirement to have county representatives. After further discussion, there was consensus to include representatives of counties, the Bureau of Milwaukee Child Welfare, tribes, and other purchasers in the final draft. In addition, after discussion, there was consensus that the advisory committee would be required to provide ongoing oversight in rate setting. There was consensus to include this draft in the committee's final recommendation.

WLC: 0448/1, relating to requiring a neutral third party to review the level of care for an out of home placement that is assigned to a child after an assessment of the child's needs.

Ms. Rose described WLC: 0448/1. Mr. Tuohy said he was concerned about the logistics and cost of having a third party evaluate the assessed level of care assigned to a child who is placed outside of the home. He said it could add delays and friction between the provider and the purchaser. Mr. Orth strongly agreed. He said county staff will be trained and that the bill draft would add another layer of bureaucracy that would never be adequately funded. Ms. Herbst asked her staff about the draft and that, based on their experiences with raising concerns about placements in the past, they felt that the draft would not be a good use of resources. Ms. Reichert noted that these cases are overseen by a judge who can also assess the appropriateness of a placement. There was consensus not to include this draft in the committee's final recommendation.

WLC: 0449/1, relating to establishing a performance-based contracting system for providers of out-of-home residential care for children

Ms. Rose described WLC: 0449/1. Mr. Tuohy said DCF wants to implement performance-based contracting. He said he was concerned that the draft only permits DCF to reward good performers. He also said it is not practical to provide additional payments at the end of the calendar year because it will take time to measure a provider's performance at the end of the year.

Ms. Hall said the intention of the draft is to lay out a framework that commits the state to implementing performance-based contracting. Mr. Tuohy said that DCF is not opposed to having a deadline for implementing performance-based contracting.

Chair Grigsby suggested leaving the requirement for DCF to create a pilot program for performance-based contracting and the deadline for full implementation of performance-based contracting in the draft. There was consensus to make this change and to delete language specifying the rewards for successfully meeting performance goals. There was consensus to include this draft in the committee's final recommendation.

WLC: 0450/1, relating to permitting the department of children and families to increase the per client rate for a residential care center for children and youth, group home, or child welfare agency for services provided beginning on January 1, 2010 and ending on December 31, 2010

Ms. Sappenfield described WLC: 0450/1. Chair Grigsby raised concerns about the fiscal impact of the draft. Ms. Hall said that agencies' health care costs are routinely increasing by 30% per year. Mr. Tuohy said DCF is aware of the hardships of the rate freeze, but exceptions defeat the purpose of a freeze. He said counties are affected by increased health care costs, as well. Senator Darling said she does not think that the proposal is viable, and that it would weaken the committee's entire recommendation. There was consensus not to include this draft in the committee's final recommendation.

Other Business

Chair Grigsby asked that all of the drafts the committee agreed to be included in the final recommendation be combined into one draft. Ms. Rose said committee members would be receiving a mail ballot to vote on the draft and the recommendations contained in Memo No. 6.

Adjournment

The meeting was adjourned at 1:15 p.m.

AS:ksm