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<th>Journal:</th>
<th>Professional Development: The International Journal of Continuing Social Work Education</th>
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<td>Article Title:</td>
<td>Maintaining Positive Public-Private Partnerships in Child Welfare: The Missouri Project on Performance-Based Contracting for Out-of-Home Care</td>
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<td>Author(s):</td>
<td>J. Wilson Watt, Rebecca Porter, Lynette Renner, and Laura Parker</td>
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<tr>
<td>Volume and Issue Number:</td>
<td>Vol. 10 No. 3</td>
</tr>
<tr>
<td>Manuscript ID:</td>
<td>103049</td>
</tr>
<tr>
<td>Page Number:</td>
<td>49</td>
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<td>Year:</td>
<td>2007</td>
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Professional Development: The International Journal of Continuing Social Work Education is a refereed journal concerned with publishing scholarly and relevant articles on continuing education, professional development, and training in the field of social welfare. The aims of the journal are to advance the science of professional development and continuing social work education, to foster understanding among educators, practitioners, and researchers, and to promote discussion that represents a broad spectrum of interests in the field. The opinions expressed in this journal are solely those of the contributors and do not necessarily reflect the policy positions of The University of Texas at Austin’s School of Social Work or its Center for Social Work Research.

Professional Development: The International Journal of Continuing Social Work Education is published three times a year (Spring, Summer, and Winter) by the Center for Social Work Research at 1 University Station, D3500 Austin, TX 78712. Journal subscriptions are $110. Our website at www.profdevjournal.org contains additional information regarding submission of publications and subscriptions.

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ISSN: 1097-4911

URL: www.profdevjournal.org

Email: www.profdevjournal.org/contact

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Child welfare services in the United States have been delivered through both publicly funded (usually state or county run agencies) and private (usually non-profit) service organizations for over one hundred years. During that time, relationships between the two types of service providers have evolved through a series of stages from one of high competition and low cooperation through varying types of contractual relationships, which often left the public agency to deal with the most difficult cases, to more current models, which reflect greater cooperation between the sectors (McGowan, 2005).

In recent years, changes in child welfare legislation, culminating in the passage in 2001 of the Promoting Safe and Stable Families Amendments (P.L. 107-133), combined with shifts in the sociopolitical context of child welfare service delivery to create increased emphasis on producing evidenced-based outcome reports and on improved public-private partnerships for service provision (Rosenthal, 2000; Snell, 2000). Implementation of the first round of Child and Family Service Reviews (CFSR) conducted by the Children’s Bureau led to a recognition that much remained to be achieved in documentation of success in service delivery in child welfare, including out-of-home services (U.S. Department of Health and Human Services, 2004; U.S. General Accounting Office, 2004).

These changes in legal and sociopolitical contexts have resulted in the Children’s Bureau’s funding of projects on privatization and on performance-based contracting through the University of Kentucky Quality Improvement Center (QIC). The project described herein addresses how the Missouri project will approach an examination of the maintenance of successful private-public collaborations that utilize performance-based contracting.

Background

Missouri has a long history of public-private service collaboration to serve the public child welfare population. Historically, a broad variety of services have been purchased through fee-for-service contracts with the private sector for services not directly provided by the public child welfare agency. This reflected the traditional contracting model used in child welfare services for most of the 20th century (McGowan, 2005).

In 1988, Missouri implemented an Intensive In-Home Services program as a first attempt at implementing contracts for services which paralleled those delivered by public child welfare staff. This was followed by the Family Reunion Program in 1994 with both contracted and public-agency staff providing direct services to children and families. Both programs have been successful in providing the short-term clinical intervention services for which they were designed. Both programs are still being used to deliver services to children in need in Missouri.

In 1998, the Interdepartmental Initiative was created, with Missouri’s Department of Social Services and several other state departments pooling their money to contract for services to children who had severe behavioral needs. This contract provided the public agency with insights into service contracting that were incorporated into the state’s initial implementation of performance-based contracting.

Missouri’s Children’s Division also has a strong history of partnerships in program development and evaluation research with the School of Social Work at the University of Missouri-Columbia. The School of Social Work has been
an educational partner with the Children’s Divi-
sion since the mid-1970’s, first through child wel-
fare traineeships supported under federally man-
dated funding and later through both BSW and
MSW Title IV-E education programs which have
been ongoing since the early 1990’s. Currently,
the School of Social Work is partnered with the
Children’s Division in the MSW Traineeships for
Public Child Welfare project, funded by the Chi-
dren’s Bureau. In the late 1980’s, the School part-
nered with the Children’s Division to redesign the
training curriculum for newly hired state child
welfare workers. That new curriculum was im-
plemented by School of Social Work faculty pre-
paring Children’s Division personnel who now
deliver initial and ongoing training for new work-
ers.

The educational and training partnerships have
had a direct influence on the ability of the Chil-
dren’s Division and the School of Social Work to
develop innovative programs for service delivery,
supervision, and institutional change, and to
evaluate the results of these programs. These suc-
cessful partnerships in program development and
evaluation led to the most recent collaborative
project on performance-based, contracting-
services design and initial implementation.

Performance-Based Contracting in Missouri

In the mid-1990s, the Children’s Division be-
gan contracting for the delivery of case manage-
ment services for children in out-of-home care.
The purpose was to reduce the caseloads for pub-
lic-agency staff and to increase the efficiency of
service delivery. Private contracts were viewed
as a resource to augment the Children’s Division
workforce due to high turnover rates in the urban
areas. This reflects one of the issues identified in
the QIC Knowledge Gaps Analysis (Collins-
camargo & Wright, 2006) related to the need to
address effectiveness as well as fiscal efficiency
in the implementation of privatization.

In 2005, concerns regarding contract over-
sight, cooperative partnerships, and child-
outcome performance were addressed with the
implementation of a performance-based-contract
approach in a project developed jointly by the
Children’s Division and a coalition of private
child welfare agencies. The use of incentivized,
performance-based contracting for out-of-home
foster care is the primary innovation being evalu-
ated in this initiation project. Other aspects of
this project, mentioned in the following para-
graphs, present unusual design elements in pro-
gram evaluation in child welfare.

Prior to the actual initiation of performance-
based contracting in Missouri, a two-year develop-
mental process was undertaken to actively en-
gage community stakeholders in framing con-
tracting content for services. Key stakeholders
included the following: executives of private
agencies already contracting with the state; judges
and other juvenile court personnel, e.g., juvenile
officers, guardians ad litem; and representatives
from advocacy groups, such as Citizens for Mis-
souri’s Children. Research confirms that this type
of communication and involvement of stake-
holders enhances the success of organizational
innovation (Johnson, Donohue, Atkin, & Johnson
2001).

The public and private sector representatives
engaged in negotiations throughout the develop-
ment of the performance-based-contracting
model, and they provided feedback useful in the
Children’s Division process of contract design.
The final collaboration design resulted in the use
of seven geographically based agency consortia to
which contracts were let. There are almost 40 pri-
ivate social-service agencies in these consortia.
The consortia model, with a lead agency for each
of the seven consortia, allows for a strong, ongo-
ing communication process through regular meet-
ings between the consortia CEOs and the admin-
istrative staff of the Children’s Division.

Because direct performance criteria are in-
cluded in the contracting model, the Children’s

\[1\] Missouri first initiated performance-based contracting in September 2005, and the evaluation of this
initial project took place during 2005-2007. The current evaluation project will take place from January
2007-September 2010.
Division’s continuous quality-improvement model was implemented for the contracting agencies. This provides for strong partnership communication and routine feedback via interactions between the contracting agencies and the Children’s Division administration. It allows for identification of potential problematic issues in service provision under the performance-based contracts and for any needed intermediate contract amendments during the three-year contracting period.

Another innovative aspect of the development of the contracts and the concurrent evaluation project was the use of the state university to assist in establishing caseload equalization in the contracting consortia and the “mirror units” [see below] within the Children’s Division, and an external actuarial firm to establish a case rate reflecting an actual cost-of-care dollar amount for the initial contracts. This allows for a true exploration of the question of whether privatization under this model can actually lead to cost efficiencies.

Finally, and most importantly for the evaluation research component of the initiation project, the Children’s Division established two sites, identified as “mirror units,” within the state agency itself to be used for research comparison purposes. At the beginning of the project the caseload for workers in these sites were equalized with the initial caseloads established under the performance-based contracts. Units at these sites also take cases in rotation with the contracting agencies, thus maintaining to the extent possible comparability across time for outcome research purposes.

This Missouri Model for Public-Private Partnerships in Contracted Out-of-Home Care was shown to be successful at initial implementation in addressing many of the difficult process-interactive issues identified in the QIC Privatization Literature Review (Planning & Learning Technologies, 2006). It also demonstrated initial, though non-significant, trends toward success in meeting outcome expectations designated in the AFCARS legislation for child welfare cases of children in out-of-home foster care. The report to the State of Missouri on the initiation project (Galambos, Kelly, & Yoon, 2007) included a recommendation for a longer-term evaluation of the ongoing use of this contracting model, supporting in retrospect the decision by the Children’s Division to pursue the current project.

The Ongoing Evaluation Project

Pursuant to the request for proposals from the University of Kentucky QIC for evaluation studies of public-private partnerships in performance-based contracting in child welfare, the State of Missouri Children’s Division, its private-contractor consortia, and the University of Missouri-Columbia School of Social Work developed a proposal to evaluate the long-term maintenance needs for successful contracting for children in out-of-home care. This proposal was viewed as the next step in understanding how to maintain successful partnerships which can result in improved services to children and their families. Because the Children’s Division had so recently initiated the use of performance-based contracting, the proposed research uses the evaluation results of implementation as a pre-existing pilot for this study and will examine in more depth both process needs and child-welfare outcome results of performance-based contracting for services.

This maintenance project expects to evaluate the impact of specific quality-assurance interventions, derived from the evaluation of the initiation of incentivized, performance-based contracting, on the maintenance of positive public-private collaboration in the ongoing use of such contracts. It will also examine the use of iterative feedback from key stakeholders, both internal to the public-private partnership and external to it, on the refinement of quality-assurance measures applied to the agencies with incentivized, performance-based contracts and the impact on the collaborative processes of implementing those quality-assurance measures. This project will also examine the impact of both positive and negative incentives on the collaborative relationship between public and private partners. Finally, the actual collaborative processes used by the public agency...
and its private contractual partners will be evaluated as they affect the renegotiation, renewal, cancellation or new granting of incentivized, performance-based contracts.

Research Design. Given that the incentivized, performance-based contracting method is a recent innovation in service delivery in Missouri, this project takes advantage of a situation which allows for evaluation of how positive collaborations and high-quality service delivery are maintained beyond the initial implementation period. Using a time-series design, this project will follow the implementation of a series of initial quality-improvement interventions (based on the initial evaluation) to assess how the public-private collaborative process reacts to such interventions. It will also provide recursive feedback on additional quality-improvement measures and the impact of their implementation across a five-year period.

The current project will collect four years of data and will utilize data from the earlier study (Galambos et al., 2007) as the initial data point. Research on organizational change supports this type of design for knowledge building in relation to organizational and inter-organizational innovation (Dattalo, 1998; Kets de Vries & Balazs, 1999; Hunt & Ropo, 2003; Zeller & Gamble, 2007). Concurrently, the project will track changes in case-outcome measures on four key child welfare issues addressed by the CFSR: 1) permanency, 2) placement stability, 3) child safety, and 4) reduction in residential days in care. The data derived from this scrutiny will provide information showing the linkage between public-private collaborative processes, quality-assurance measures and their implementation, and child outcomes for children in out-of-home care.

Key interventions. For this project, key interventions fall into three overlapping areas: 1) quality-improvement actions initiated by the Quality Assurance staff of the Children’s Division and implemented by the contract agencies; 2) planned changes in the public-private collaborative processes for contract renegotiation, renewal, cancellation, or new contracting; and 3) iterative developmental feedback from the ongoing evaluation for refining processes implemented over time in the first two areas. The Children’s Division may develop a set of quality-improvement actions to address service-improvement needs identified in the final report on the initial implementation evaluation, and the implementation of these improvements may be the first set of interventions which this project will evaluate. Out of that first round of evaluation will emerge recommendations for further refinement or development of quality-improvement actions, which will provide input into the collaborative expectations of the Children’s Division and its contract partners.

This describes the iterative process which will allow this project to evaluate the impact of four rounds of quality-assurance improvement actions on the public-private collaborations and on the child welfare outcome measures for children being served under the incentivized, performance-based contracts. The specific nature of the quality-assurance improvement actions are being developed within the context of the project and thus cannot be described here; however, their development through the public-private collaborative process is part of what is being studied, and they can only be reported as the developmental process is completed. The interventions related to the collaborative communication processes will be dependent upon the analysis of those communications. However, the key changes that are expected to occur are in two areas: 1) the public-private collaborative processes, and 2) the four child-welfare outcome measures.

Research Sites. Incentivized, performance-based contracts for services to children in out-of-home care have been awarded to seven consortia in three regions in Missouri: the St. Louis area, the Kansas City area, and the Springfield area. These sites represent a continuum of locales running from high-concentration, urban populations through suburban and ex-urban population areas to geographically widespread, low-concentration, rural population areas. These three regions are also reasonably representative of the child population in Missouri’s foster care system, which is the target population being served under the in-
centivized, performance-based contracts. In addition to being representative in the focal service area, i.e., foster home care, these sites also demonstrate the variation in the range of other services -- e.g., after-school enrichment, individual child psychotherapy -- that may be available to meet the full range of needs of clients in care across Missouri’s highly varied geography and population.

Missouri’s basic evaluation design is illustrated in Figure 1. As the diagram shows, the time series will allow data to be collected at five time intervals, and outcomes will be measured for three comparative groups. The first comparative group is the control group, representing alternative-care outcomes from case-management services provided by the public sector, which is the Children’s Division. The second comparative group, treatment group 1, represents alternative-care outcomes from case management services provided by the private contractors. The third and final comparative group, treatment group 2, represents the two “mirror” units housed in the public sector but functioning under the same parameters and contractual obligations as the private sectors.

The control group and treatment group 1 data are collected from the three regions of St. Louis, Kansas City, and Springfield. Treatment group 2 data is collected from the mirror units in Kansas City and Springfield.

Project baseline data coincide with the implementation of PBCs in September 2005 (ending 9/30/06), with the exception of one consortium in the Springfield region, which began in September 2006. Data collected in the following two years (ending 9/30/07 and 9/30/08) serve as comparison periods. The second round of performance-based contracts will be negotiated and implemented in September 2008, which means that data collected in September 2009 will provide a unique opportunity to compare data across contract periods.

Data Measures and Collection Methods: Multiple approaches to data collection will be used to tap the varying aspects of processes needed to maintain positive public-private partnerships in child-welfare service provision. To support the time-series design of the evaluation, all measures will be repeated a minimum of three times over the course of the project.

A modified version of the Wilder Collaboration Scales will be administered to all partici-
Major adaptations were made to the instrument for use in all three QIC-funded state projects. See additional information by Mattessich, P. W., Murray-Close, M., & Monsey, B. (2001). The Wilder Collaboration Factors Inventory. Saint Paul, MN: Amherst H. Wilder Foundation.

Focus groups will be utilized to assess the impacts of the incentivized, performance-based contracts and subsequent changes in service delivery resulting from those contracts on key stakeholders in the community and on agency employees. Key stakeholders include representatives of the judicial system, child welfare advocates, and foster parents. From the contracting agencies, direct-line staff and supervisors providing services to children in out-of-home care participate to assess the impact of performance-based contracting on the climate and processes of service delivery. Adjunctive service providers used in the process of service provision by contracting agencies in the public-private partnerships will participate to develop an expanded perspective on how subsidiary community providers are affected by the implementation of incentivized, performance-based contracting. The views of adjunctive service providers are important in attempting to determine the impacts of performance-based contracting on the larger system of service delivery in the community. Morgan (1997) provides clear foundation for the use of focus groups in this type of evaluative research.

Content and observational analyses will be used to assess the actual processes of contract renegotiation and partnership interactions. Representatives of the seven, private-contracting consortia lead agencies and representatives of the Children’s Division meet regularly to discuss the ongoing issues involved in contract implementation, quality-assurance processes, and potential contract adjustments, amendments, and renegotiations. Content analysis of the minutes of these meetings will be analyzed for issue-related collaboration data. Observational analysis of the meetings will be used to assess the interactive aspects of the collaboration. Comparative analysis of the content and the observational data will also be done in order to explore the relationship between collaboration issues and the interactions that they entail, particularly when an issue results in interactive conflict. Research has demonstrated the need to ensure that these types of process issues are addressed in support of efficiency and effectiveness in organizational negotiations, particularly in environments of scarce resources such as those that often exist for child welfare (Butler, 1999; Tjosvold & Poon, 1998; Zajac & Bruhn, 1999).

Data from the Children’s Division casemanagement system will be aggregated and analyzed to evaluate the trends in improved child welfare outcomes as well as the final level of outcomes on these measures. The data will examine the four key child-welfare outcomes (See Table 1) that are expected to improve over the course of the project.

Finally, a cost-benefit analysis of service provision in the mirror units and the private consortia agencies will be completed to evaluate the efficiency of service provision under incentivized, performance-based contracts. This measure will not be done as a time-series measure; rather, the overall changes in costs of care will be analyzed at the end of the project.

Some of the evaluation activities of this project also serve as intervention components. In particular, the focus groups and the two analyses applied to the ongoing collaboration meetings of the public-private partnership will also provide the information from which refined quality-assurance processes and refined collaborative interactions will be recommended. It should be noted that the
resulting interim feedback reports to the Children’s Division and the private consortia partners will be the immediate outputs of the project.

**Expected Outcomes**

The Missouri Project expects to produce both short/intermediate-term outcomes, primarily related to process issues in collaboration between the public agency and its private partners in the contracting process, and long-term outcomes that will demonstrate the benefits of these contracting partnerships to both the organizations involved and to the clients that they mutually serve. The expected short/intermediate goals that will be accomplished within this approach to organizational change include: 1) Improved collaborative processes for decision-making and conflict resolution within the public-private partnership; 2) refined quality-assurance processes leading to highly focused, quality-improvement actions; 3) improved understanding of those processes that are needed for long-term maintenance of public-private collaborations as they move beyond the contract-initiating period; 4) enhanced understanding of how key stakeholders perceive change processes in the service-delivery system; 5) identification of child-welfare outcome trends in the four project-outcome areas; 6) improved understanding of how contextual variables that may not be predictable affect the public-private partnership collaboration process, and 7) changes in how the collaboration process is carried out, based on the increased knowledge for action resulting from the process-evaluation data. As these goals are met in the iterative research process, the outcomes will contribute to progress toward the expected, final, long-term outcomes of the project.

As presented in Table 1, the Missouri project focuses on four child-welfare, case-related, long-term outcomes. The four child-welfare outcomes are derived from outcomes measured in the federal Child and Family Services Reviews (CFSR) mandated by Congress in 1994 and first implemented in 2000 (U.S. Department of Health and Human Services, 2004). Table 1 also shows the two long-term outcomes related to collaborative processes in public-private partnerships for privatization of child-welfare services, and the long-term outcome related to efficiency in service provision. Expected specific changes for all of the outcomes are indicated in Table 1.

The overall outcome of this project is expected to be threefold. First, the project will add considerably to state-of-the-art knowledge about how to ensure that successful initiation of performance-based contracting can be maintained in partnerships between the public child-welfare agency and its private contracting partners. The ongoing needs of public-private partnerships will certainly be somewhat different than the needs during the initial contract negotiation and implementation period, and without long-term evaluations, such as this project provides, those process needs will remain obscure.

Second, the project will be able to address assumptions about the cost-effectiveness of privatization, as clearly laid out in the QIC Privatization Literature Review. Through the use of two distinct control sites (e.g., “mirror units” and non-PBS areas of the state), the end-of-project financial analysis of costs of care can determine whether such assumptions are supportable. Because this will be conducted within a larger context of demonstrating other positive outcomes in performance-based contracting for both children being served and for the agencies involved, the cost-benefit analysis will also be placed in its proper perspective, regardless of its outcome.

Third and finally, the project expects to demonstrate that successful, ongoing public-private partnerships utilizing incentivized, performance-based contracting for services will lead to further enhancement of positive outcomes for children being served within Missouri’s child-welfare system.

**Conclusion**

Child welfare will certainly continue its move toward greater public-private collaboration for the foreseeable future. The Missouri Project, and the other projects funded by the University of Kentucky QIC, will contribute to understanding about
Table 1: Long-Term Outcome Measures

**Child Welfare Outcomes**

- *Permanency rates* for children in care are expected to:
  - increase across the life of the project in the private consortia caseloads;
  - show greater success rates in the private consortia caseloads than in the Children’s Division control region;
  - show similar success rates in the private consortia caseloads to those of the Children’s Division mirror units.

- *Placement stability* for children in care is expected to:
  - improve across the life of the project in the private consortia caseloads;
  - show greater stability in the private consortia caseloads than in the Children’s Division control region;
  - show similar stability in the private consortia caseloads to that in the Children’s Division mirror units.

- *Child safety* is expected to:
  - increase across the life of the project in the private consortia caseloads;
  - show greater levels of safety in the private consortia caseloads than in the Children’s Division control region;
  - show similar safety levels in the private consortia caseloads to those of the Children’s Division mirror units.

- *Residential care usage* is expected to:
  - decrease across the life of the project in the private consortia caseloads;
  - show larger decreases in the private consortia caseloads than in the Children’s Division control region;
  - show similar decreases in the private consortia caseloads to those of the Children’s Division mirror units.

**Collaborative Outcomes**

- A set of best-practice recommendations for Quality Assurance and Continuous Quality Improvement interventions within the context of the incentivized, performance-based contract provision of service by the private sector.

- A set of best-practice approaches to addressing the maintenance needs of the public-private collaborations for privatization in child welfare.

**Efficiency Outcomes**

- Evidence through cost-benefit analysis of the impact of the incentivized, performance-based contract approach to provision of out-of-home care for children on the costs of such services to the state government.
the processes needed for developing, refining, and maintaining such collaborations for the provision of out-of-home care to children. Findings about process are expected to contribute to establishing best practices in contracting and contract monitoring. Comparative cost-benefit analysis at the end of the project will allow examination of the efficiency of such collaborations. Finally, the project will examine the effectiveness of collaborations for positive enhancement of case outcomes for children in out-of-home. These outcomes will enhance the capacity of the child-welfare system, public and private, to create positive changes in the lives of Missouri’s most vulnerable children and their families.

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