

**COUNTY OF MILWAUKEE**  
INTEROFFICE COMMUNICATION

**DATE:** February 14, 2012

**TO:** Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

**FROM:** Héctor Colón, Director, Department of Health and Human Services  
*Prepared by: Geri Lyday, Administrator, Disabilities Services Division*

**SUBJECT: REPORT FROM THE DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING AUTHORIZATION TO EXTEND AND INCREASE 2012 PURCHASE OF SERVICE CONTRACTS WITH BIRTH TO THREE PROVIDERS FOR THE PROVISION OF BIRTH-TO-THREE/EARLY INTERVENTION SERVICES IN THE DISABILITIES SERVICES DIVISION**

**Policy Issue**

Section 46.09 of the Milwaukee County Code of General Ordinances requires County Board approval for the purchase of human services from nongovernmental vendors. Per Section 46.09, the Director of the Department of Health and Human Services (DHHS) is requesting authorization to extend and increase the 2012 purchase-of-service (POS) contracts with Birth-to-Three providers for the provision of Birth-to-Three/Early Intervention services for the Disability Services Division (DSD) for April 1 through December 31, 2012.

**Background and Rationale**

DSD administers the Birth-to-Three program/Early Intervention (Birth-to-Three) program in Milwaukee County for infants and toddlers with developmental delays or disabilities. This long-standing program has a goal of providing educational and therapeutic services to support optimum functioning of children with disabilities in the early developmental years. The Birth-to-Three program has a high-volume of referrals and is intricately linked to the health care system, various social service agencies, and school systems. This program is monitored under the annual State-County contract and includes a Maintenance of Effort requirement.

In December 2011, the County Board authorized 2012 purchase of service contracts for only three months to nine community agencies for the provision of Birth-to-Three services. The accompanying report noted that this would allow DSD to undertake a more thorough review of the agencies' referral patterns, units of service, performance outcomes, and services. Several agencies had raised concerns about the allocation distribution and requested such a review.

The nine agencies receiving three-month Birth-to-Three contracts include:

- Penfield Children's Center

- Easter Seals
- Center for Communication, Hearing and Deafness, Inc (CCHD)
- Vision Forward Association, Inc
- Curative Care Network
- St. Frances Children's Center
- Milwaukee Center for Independence (MCFI)
- Next Door Foundation
- Lutheran Social Services (LSS)

Seven of the agencies provide a traditional model of Birth-to-Three services. Lutheran Social Services (LSS) and Next Door Foundation provide traditional services to some children but their primary role in Birth-to-Three programming is to provide CAPTA (Child Abuse Prevention and Treatment Act) screens, non-CAPTA developmental screens and service coordination. LSS also provides screens, service coordination and services to Milwaukee County children placed in foster care outside Milwaukee County, and has a hospital transition team providing services to families transitioning infants with critical health concerns from the hospital to home. Next Door Foundation has a strong partnership of service coordination with MCFI and provides Infant Mental Health screenings/evaluations and services.

There are two important issues related to Birth-to-Three funding and the contract allocation process:

1. Decreased State funds and increased demands on the service system, and
2. Allocations to agencies have not been adjusted for years.

#### Decreased State Funds and Increased Demands

State funding for Birth-to-Three programming has decreased from 2008 to 2011 and allocations to the agencies decreased by almost 5% between 2009 and 2010. State promises to make programmatic changes to lessen the impact of the funding decreases have not been kept. Milwaukee County DSD is receiving the same amount of State Birth-to-Three funding for 2012, as in 2011.

In 2010 and 2011, the Birth-to-Three agencies did receive \$515,650 in Federal AARA support for staffing, training and purchasing of equipment but these extra funds were for one-time or short-term expenses and are no longer available. The Birth-to-Three contract agencies have continued to accept referrals while maintaining service levels for children and their families in spite of the fiscal challenges and indicate that they rely on outside fund-raising to meet the actual costs of serving children in the Birth-to-Three program.

Referrals have increased from 2008 through 2011, though they have stabilized in the last year. In 2008, there were 1,624 referrals to the Birth-to-Three agencies, 3,064 in 2009, 3,499 in 2010 and 3,457 in 2011. The increase in referrals between 2008 and 2009 was directly related to the Bureau of Milwaukee Child Welfare (BMCW) understanding its responsibility to refer children to Birth-to-Three as identified in CAPTA legislation. Referrals remained essentially the same

between 2010 and 2011 due to DSD efforts to implement procedures to increase the appropriateness of referrals. These efforts included: developing an interagency referral process agreement between DSD and the BMCW and providing outreach to doctors, clinics and health organizations addressing the criteria for appropriate referrals. Demand for Birth-to-Three services, however, is expected to increase.

While State funding has decreased, State requirements on the Birth-to-Three program have increased. This creates a challenge for DSD and the agencies trying to meet strict compliance targets with fewer resources. Several requirements have increased the workload for agencies:

- The State-required 100% compliance with federal Indicators 1 (related to timely service), 7 (related to timely completion of IFSP), and 8 (related to timely transition planning) when the Federal compliance standard is 95%.
- Since 2009, the State requires use of the Program Participation System (PPS), which requires each agency to input data regarding new referrals, enrollments, services provided, and transition steps taken and exit outcomes. The required data elements have increased each year.
- Providing services in the child's natural environment, while evidence-based practices demonstrate that it provides the best outcomes for children and families, is more costly in terms of staff time, training and transportation.
- The Primary Service Provider Model, which is encouraged by the State, is considered more costly by some agencies, while others find that implementing the model is beneficial to families and is revenue neutral.
- In mid-2012, there will be additional Federal requirements tightening the referral/assessment timeframes.

#### Agency Allocation Distribution

DSD has not changed the allocation distribution to each Birth-to-Three agency for several years and therefore, has not recognized or rewarded differences in performance and/or outcomes or in the average Birth-to-Three cost per child served among the agencies. The Division would like to move toward performance-based contracting based on factors such as the required Birth-to-Three Federal Indicators, other outcomes measures, the extent of outside fundraising in support of the program, and unit rates. This 2012 contract extension process is a first step in working collaboratively with the contract agencies to move in that direction and maximize available funding.

Birth-to-Three services continue to be invaluable to families who have a child with a developmental delay. These programs are critical to the identification of early intervention strategies that can assist children to reach their maximum potential and actively participate in their communities.

#### Allocation Review Process

In January 2012, DSD met with representatives from all nine Birth-to-Three agencies to discuss the factors and quantitative data DSD was analyzing to make allocation recommendations for

the remainder of 2012. The agencies provided feedback and provided additional information about each of their programs. DSD also met with the agencies to share the results of the analysis and allocations recommendations.

The factors considered in the allocation review analysis include:

- Number of referrals taken, children enrolled and children served
- The proportion of each agency's funding, referrals and children served to the total allocation, referrals and children served
- Performance outcomes as measured by Federal Indicator Compliance Scores, including Outcome results from the State administered 2010 Parent Survey
- Agency scores on the 2012 DHHS Request for Proposals (RFPs)
- Agency success in billing for Targeted Case Management
- Other considerations such as File Review results, geographic area served and incorporation of the Primary Service Provider Model
- Capacity to accommodate children and families with diverse and sign language needs and with limited English proficiency
- Additional information provided by each agency as requested at the meeting with the agencies.

Agency scores on compliance with federal indicators is a viable comparable measure of performance and outcomes. The Office of Special Education Programs (OSEP) in the U.S. Department of Education continues to enforce the Individuals with Disabilities Education Act (IDEA) by issuing state-level outcome determinations for Part C, Birth-to-Three Program, and Part B, 3-21 Year-Old Special Education Programs. The determinations are based on 14 federally defined indicators and are required under federal statute as part of ongoing efforts to improve results for children and youth with disabilities. OSEP continues to require states to enforce IDEA by making local determinations annually on the performance of each early intervention program under Part C. States are required to monitor a county's performance on the Federal requirements.

Over the past two years, DSD has developed and implemented improved data collection and reporting processes and worked in partnership with the State Birth-to-Three Program and the Birth-to-Three agencies to improve Federal Indicator compliance scores. For this allocation analysis, federal indicators 1, 2, 3, 4, 7, and 8 were compared across agencies to look at each agency's performance outcomes and patterns and improvements in performance. These indicators were selected because they reflect agency performance, parent satisfaction and the extent to which agencies are providing services in natural environments, a critical and important principle in the Birth-to-Three service system.

The parent survey is conducted annually in November by DSD and compiled by the Wisconsin Department of Health Services. It measures compliance with the Federal Indicator 4, which addresses family outcomes. It solicits parent responses to questions concerning the parents' understanding of their rights, their ability to communicate their child's needs and their ability to

help their child learn and develop. As an independent assessment of parent satisfaction it was an important consideration in the allocation review process.

It should be noted that, in its analysis, DSD relied on available State data sources, using data agencies input into PPS, and used the same source for each agency. There may be some discrepancies between data analyzed and the data agencies keep in their own databases.

In 2011, DSD released a Request for Proposals (RFP) for Birth-to-Three programs. All nine Birth-to-Three agencies submitted proposals. DSD reviewed the proposals by utilizing a five to seven member panel, as outlined in the DHHS technical assistance Request for Proposal document. Each agency received an RFP score based on the independent review of the merit of their proposal and response to the RFP. Each agency's score was also considered in this comparative analysis.

DSD also analyzed fiscal information from each Birth-to-Three agency including the revenue they received from billing Medicaid for Targeted Case Management (TCM), which demonstrates efforts in maximizing available revenue to serve more children. Agencies can only bill for TCM if staff qualifications meet certain criteria and only for children who are Medicaid eligible so this would affect TCM revenue totals. DSD also looked at fiscal information submitted by the agencies to DHHS Contract Administration to try to assess the extent to which their fund-raising efforts bring in additional dollars to support Birth-to-Three programming and offset expenses not covered by the contract allocation but these data were not comparable across agencies. DSD hopes to work with the agencies to collect data on the expenses and revenues related to serving just children in the Birth-to-Three program.

The following attachments include the summaries of the information assessed for this allocation analysis:

- Attachment 1: Birth-to-Three Agency Allocation Factor Comparison
- Attachment 2: Federal Indicator Scores for Birth-to-Three Agencies
- Attachment 3: Federal Indicator 3: 2010 Outcomes related to Improved Child Outcomes
- Attachment 4: Federal Indicator 4: 2010 Parent Survey Outcome Data for Birth-to-Three Agencies

Allocation Adjustments based on factor analysis

Based on analysis of all the factors noted as summarized in the attached charts, DSD is recommending the following adjustments to each agency's 12-month contract allocation comparing 2011 actual to 2012 proposed.

<b>Agency</b>	<b>2011 Allocation</b>	<b>Contract</b>	<b>Proposed total 2012 Contract</b>
Vision Forward		\$80,719	\$82,719

Center for Communication, Hearing & Deafness	\$79,588	\$81,588
Curative Care Network	\$1,329,846	\$1,229,846
Easter Seals Kindcare	\$575,401	\$545,401
Milwaukee Center for Independence	\$338,970	\$388,970
Penfield Children’s Center	\$1,125,597	\$1,175,597
St. Francis Children’s Center	\$430,169	\$459,169
Lutheran Social Services	\$231,530	\$246,530
Next Door Foundation	\$142,779	\$157,779
<b>Total</b>	<b>\$4,334,599</b>	<b>\$4,367,599</b>

In making this recommendation, DSD considered quality and an agency’s pattern of performance as measured by available performance indicators, and each agency’s unique characteristics and role in the Birth-to-Three service system, including their adaptation of the Primary Service Provider model. Average cost per child served was also considered with the idea that more efficient providers could serve more children with the same resources. Specifically, the justification for each agency’s recommended 2012 contract allocations is summarized below.

The proposed allocations to the agencies also reflect additional resources that DSD is devoting to the Birth-to-Three program. To support Birth-to-Three services, DSD has identified an additional \$33,000 from 2012 budgeted funding for purchase of service contracts, to add to the total 2012 allocation amount for Birth-to-Three agencies.

Vision Forward:

Vision Forward has moved its location to the central city. This location will increase its opportunity to team with other agencies to provide natural environment and support. Since Vision Forward is the only agency with specialized expertise in serving individuals who are blind or have visual impairments, travel expenses are higher since staff must travel throughout the entire County. It has a pattern of ranking high in compliance with Federal Indicators and its RFP score was high.

Center for Communication, Hearing and Deafness (CCHD):

Since CCHD is the only agency with specialized expertise in hearing loss, travel expenses are higher since staff must travel throughout the entire County. It ranked high in its RFP score.

Curative Care Network:

In June of 2011 Curative reduced its workforce and in July notified DSD that it was capping the number of Birth-to-Three referrals it was willing to take to an average of 15 per week, a 25% reduction from the average of 20 referrals it took per week previously. The proposed 7.5% reduction in Curative’s 2012 allocation enables funds to be shifted to agencies that are accepting the referrals no longer taken by Curative. In addition, DSD is adding \$33,000 to the total allocations to Birth-to-Three agencies to minimize the impact of reductions and maintain the integrity of the whole Birth-to-Three system.

Curative has a pattern of ranking low on the independently assessed or verifiable Federal Indicators, and high on the self-reported. It also ranked low on its RFP score. Curative notes, in its feedback as part of this allocation process, that it has a “spacious 18,000 sq. ft. dedicated space” in its facility but a key Federal and State goal of the program is to provide services in natural environments and Curative ranks last in compliance with that indicator. Birth-to-Three funds are for programming for children and not to support infrastructure.

#### Easter Seals:

Easter Seals had the lowest ranking on its RFP score and has the highest cost per child served (agency contract allocation/number of children served). It received 13% of the total Birth-to-Three allocations given to agencies for 2010 and 2011. However, Easter Seals only served 9% and 10% of the total children served in the program in those respective years. Shifting funds from Easter Seals to other agencies with a lower cost per child served will enable more children to be served for the same amount. Easter Seals has done initial training on the Primary Service Provider Model.

#### Milwaukee Center for Independence (MCFI):

MCFI has incorporated the Primary Provider Service model and has the capacity to absorb the referrals not taken by Curative. MCFI has demonstrated consistently high performance outcomes in terms of Federal Indicator compliance. The agency also serves a large Spanish-speaking only population, anticipating that over 50% of their families will be Spanish-speaking only in 2012. They also serve the very medically fragile in their Pediatric Special Care Unit.

#### Penfield Children’s Center:

Penfield has the capacity to also absorb additional referrals not taken by Curative. Penfield accepted those extra referrals in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2011 and still maintained a relatively high percentage of indicator compliance. Penfield also serves a high percentage (39%) of Hispanic/Latino families and has a large number of bilingual staff. They maximize Targeted Case Management revenue. Penfield’s Special Care Nursery provides services for medically fragile children, including children recently discharged from area hospitals.

#### St. Francis Children’s Center:

Over half (52%) of St. Francis children are not eligible for them to bill Targeted Case Management but its cost per child served (agency contract allocation/number of children served) is one of the lowest. Therefore, at a lower cost per child served more children could be served for the same amount given to some other agencies. The agency has relatively high Federal Indicator compliance scores though it ranks last in the results of the parent survey. It also has the capacity to absorb additional referrals not taken by Curative.

#### Lutheran Social Services (LSS):

LSS has proposed to increase staffing to accommodate the Birth-to-Three’s increase in infants ages 0-1 Neonatal Intensive Care Unit (NICU) referrals and changing Federal CAPTA and

screening compliances. It is expected that LSS will have more CAPTA and non-CAPTA referrals for screening in 2012.

Next Door Foundation:

It is expected that Next Door will also have more CAPTA and non-CAPTA referrals in 2012. They will also need to accommodate changing Federal CAPTA and screening compliances. The agency also has a pattern of rating fairly highly in compliance with Federal performance indicators. It has a strong partnership with MCFI.

Addressing the larger issue of Insufficient Federal and State funding and other Program Issues

The nine-month Birth-to-Three contract allocation extension and recommended redistribution based on performance is only a beginning step in what DSD hopes is an ongoing process in working with the Birth-to-Three agencies. This work is expected to involve enhancing data, fiscal and performance-based contracting, advocating for increased federal and state funds for the program, responding collaboratively to proposed State initiatives in the programs and identifying and implementing Birth-to-Three system improvements. In preparation for 2013 contract allocation decisions, DSD hopes to meet with each agency individually to understand their Birth-to-Three program expenditures and revenues and unique challenges.

Recommendations

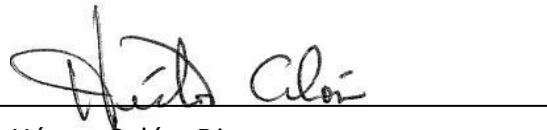
It is recommended that the County Board authorize the Director, DHHS or his designee to extend and increase the purchase of services contracts for nine months from April 1, 2012 through December 31, 2012 as follows:

<b>Agency</b>	<b>3-Month (Jan. 1- March 31, 2012)</b>	<b>9-Month (April 1-Dec. 31, 2012)</b>	<b>New Total 2012 Contract Amount</b>
Vision Forward	\$20,180	\$62,539	\$82,719
Center for Communication, Hearing & Deafness	\$19,897	\$61,691	\$81,588
Curative Care Network	\$332,462	\$897,384	\$1,229,846
Easter Seals Kindcare	\$143,850	\$401,551	\$545,401
Milwaukee Center for Independence	\$84,743	\$304,227	\$388,970
Penfield Children’s Center	\$281,399	\$894,198	\$1,175,597
St. Francis Children’s Center	\$107,542	\$351,627	\$459,169
Lutheran Social Services	\$57,883	\$188,647	\$246,530
Next Door Foundation	\$35,695	\$122,084	\$157,779
<b>Total</b>	<b>\$1,083,651</b>	<b>\$3,283,948</b>	<b>\$4,367,599</b>



**Fiscal Effect**

Funding for this amendment is already budgeted in DSD's 2012 purchase of service budget. There is no additional tax levy required (see attached fiscal note).

A handwritten signature in black ink, appearing to read "Héctor Colón", is written over a horizontal line.

Héctor Colón, Director  
Department of Health and Human Services

cc: Chris Abele, County Executive  
Tia Torhorst, County Executive's Office  
Terrence Cooley, Chief of Staff, County Board  
Jennifer Collins, Policy Research Analyst, County Board  
Patrick Farley, Director, DAS  
Pam Bryant, Interim Fiscal & Budget Administrator, DAS  
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS  
Jodi Mapp, Committee Clerk, Health and Human Needs Committee