

Rightsizing Congregate Care

A Powerful First Step in Transforming Child Welfare Systems



For more than 60 years, the Annie E. Casey Foundation has supported efforts to build better futures for vulnerable children in the United States. Central to this work is the Foundation's belief that public systems should promote programs and policies that sustain lifelong family connections for children and youth.

THE ANNIE E. CASEY FOUNDATION



CONGREGATE CARE PLACEMENTS COST CHILD WELFARE SYSTEMS THREE TO FIVE TIMES THE AMOUNT OF FAMILY-BASED PLACEMENTS.

Rightsizing Congregate Care

A POWERFUL FIRST STEP IN TRANSFORMING CHILD WELFARE SYSTEMS

For more than 60 years, the Annie E. Casey Foundation has supported efforts to build better futures for vulnerable children in the United States. Central to this work is the Foundation’s belief that public systems should promote programs and policies that sustain lifelong family connections for children and youth. As part of this agenda, the Foundation has focused more recently on helping public systems reduce their use of institutional placements (called “congregate care”) for children and youth in child welfare systems. In the last decade, a strategy consulting group within the Foundation has tackled the issue with a diverse set of child welfare systems from around the country. The outcomes, in one jurisdiction after another, were extraordinary: Reducing a system’s reliance on congregate care had significant benefits for children and families.

“It was striking,” says Kathleen Feely, Casey’s vice president for Innovation. “Reducing reliance on congregate care resulted in marked improvements for children. They spent more time in family settings and less time in institutional settings. Reducing congregate care also had an effect on the larger system, in that the number of kids in foster care often dropped.”

WHY FOCUS ON CONGREGATE CARE?

No research proves that children fare better in congregate facilities than family care and some studies have shown the outcomes are worse. What’s more, institutional placements are three to five times the cost of family-based placements. Thus, savings from congregate care reduction could be diverted to community-based services (including evidence-based interventions) to improve permanence and other long-term outcomes for children.

“Rightsizing congregate care,” agrees Tracey Feild, director of Casey’s Child Welfare Strategy Group, “is a promising entry point to real improvements in the lives of children and families. It has proven to be a successful strategy across diverse public systems over an extended period of time.”

In its congregate care projects, Casey targeted an incremental goal – reduction of congregate care – in the context of a broader, long-term system change agenda. In each of its engagements, congregate care reduction was viewed as an important first phase of a larger reform plan. Working with partner-clients, Casey used its intensive embedded consulting approach to help systems find the best way to



reduce the use of congregate care placements for children and youth. The approach was embodied in the Casey Strategic Consulting Group, which in 2009 became part of the Foundation’s Child Welfare Strategy Group (CWSG).

LEVERS OF CHANGE PROMOTE RIGHTSIZING

Casey’s consulting work focused on five systemic levers of change. In congregate care, it found that change occurred when at least two of the five levers were targeted.

<i>System Levers of Change</i>	<i>Actions</i>
Composition of Services	<ul style="list-style-type: none"> • Reduce congregate beds • Increase community foster homes • Increase community-based services • Increase use of kinship placements for children
Front-line practice	<ul style="list-style-type: none"> • Engage young people in talking about their placement preferences • Increase engagement of parents and family • Identify potential kinship homes earlier
Finance	<ul style="list-style-type: none"> • Create financial disincentives for congregate care (e.g., require local contributions for institutional placements) • Redirect savings from decreased use of congregate care to community-based services

<i>System Levers of Change</i>	<i>Actions</i>
Performance management	<ul style="list-style-type: none"> • Use permanency and well-being outcomes to evaluate congregate care providers • Phase out contracts with providers that have poor performance
Policy	<ul style="list-style-type: none"> • Mandate family-based concurrent planning for all children and youth • Limit use of independent living as a case goal • Identify potential kinship homes earlier • Encourage youth to consider open adoption arrangements that permit birth-family contact • Require prior authorization and utilization reviews for entry into congregate care

Many of Casey’s congregate care rightsizing initiatives began by targeting one or two levers of change, then expanding to more. Not all levers were targeted for each project, although front-line practice was a targeted change in every site.

As Casey’s clients continued to decrease their reliance on congregate care, larger reforms gained momentum as well. “Our early experience found reform efforts that started with congregate care were able to achieve success very quickly,” reports Feild. “Congregate care became an appealing starting point for larger reform since its quick results provided momentum for deeper and ongoing change.”

REFORM IS NOT POSSIBLE WITHOUT BUY-IN FROM LEADERS AT THE TOP AND MIDDLE OF THE ORGANIZATION.

FOUR JURISDICTIONS

The Casey rightsizing approach has been successful in diverse systems over time, as Feild indicated. The experiences of four jurisdictions – New York City, Maine, Louisiana, and Virginia – are described in this report; each system went on to identify larger reform efforts following its congregate care success.

NEW YORK CITY ADMINISTRATION FOR CHILDREN'S SERVICES

In 2003, the Administration for Children's Services (ACS) asked the Annie E. Casey Foundation for help. Despite years of successful permanency and prevention efforts, most teens entering care were placed in congregate care facilities. ACS asked the Foundation to help the agency turn a budget crisis into an opportunity to reduce over-reliance on congregate care.

NUMBERS TELL THE TALE

Improved prevention efforts and increases in the number of children exiting the system to permanent families had reduced New York City's foster care population by 27 percent from 1996 to 2001.¹ Yet a new problem was emerging: Not only had the number of teens in the system increased during that period, but nearly two-thirds of teens were ending up in congregate care, often "aging out" with few prospects.

As Casey and ACS worked together, they targeted two levers of change: performance management and front-line practice. In pursuit of the first, they decided to eliminate the weakest group-home providers. To affect the second, the two groups ramped up their engagement with teens,

closely involving young people in identifying possible families for themselves.

As work progressed, a quantitative formula was developed to evaluate the quality of each congregate care provider based on placement stability and permanency outcomes of children in their care. A goal was established to eliminate 600 of nearly 4,200 beds by permanently closing the poorest performing sites. Agencies with multiple sites were ranked independently so stronger sites could remain open.

"WHO VISITS YOU?"

To ensure that teens in facilities targeted for closure were not simply transferred to another facility, ACS worked with multiple stakeholders, including casework and supervisory staff, providers, families, legal advocates, and permanency experts, to design an innovative case review process to find family placements for teens. Teams of social workers interviewed each teen individually to ask about existing adult connections. Workers asked: Whom do you trust? Who visits you? Who is on your speed-dial? With whom do you want to live?

Then ACS teams contacted adults the teens identified to explore whether they would consider providing a permanent home and whether any supportive services would assist in family placement.

To support these efforts, Casey consultants worked with ACS to institute aggressive policies that improved the opportunity for permanence. The agency mandated family-

REFORM THAT STARTED WITH CONGREGATE CARE INFLUENCED THE SYSTEM MORE BROADLY.

based concurrent planning for youth in foster care, limited the use of independent living as a case goal, and encouraged teens to consider open adoption arrangements that would permit contact with their birth families.

The results were significant. ACS more than surpassed its initial goals of decommissioning 600 beds and targeting the needs of teens. Specifically:

- The number of congregate care beds was reduced to 2,192 in December 2008 from 4,174 in 2002, a 47 percent decrease.
- Reducing congregate care saved more than \$41 million, a portion of which was reinvested in supportive and aftercare services.
- Initial placements for two-thirds of teens entering the ACS system were now in family settings, compared to 2003, when the number was one-third.²

MAINE BUREAU OF CHILD AND FAMILY SERVICES

The opportunity moment that brought the Maine Bureau of Child and Family Services (BCFS) to the Annie E. Casey Foundation was the worst kind: a child fatality. Suddenly the system – named the worst in the country by the National Coalition for Child Protection Reform – was the subject of public outcry, a legislative review, and national media attention. Dramatic system reform was on the table.

The Casey Foundation worked with former Commissioner Kevin Concannon and BCFS leaders to review the whole system and strengthen the central leadership team. Three

levers of change were targeted: front-line practice, policy, and finance.

Pondering which actions would best support those levers of change, in 2004 Casey and BCFS decided to focus on reducing congregate care placements. Among the benefits sought was freeing up system resources and redirecting them to provide community-based supports for children in home-based placements. In addition, noting that relative placements in Maine were strikingly low, Casey and BCFS decided to explore the possibility of allowing more children to live permanently with extended family.

The newly articulated goal was to move 100 children – 10 percent of congregate care residents – into permanent families or home-based placements. To accomplish this, CWSG and BCFS used three interlocking strategies:

- *Permanency teams* to evaluate cases and brainstorm how to move children out of institutional settings. Teams included providers, social workers, family members, and others.
- *Policy changes* that required, for example, prior authorization and utilization review of all children in high-end placements. Congregate care was redefined from a placement to a treatment.
- *Shifting resources* to services in the community as needed. This included working with providers to prepare for the shift from residential care to community-based services.

THE ROLE OF COST

Cost was a significant undercurrent in the debate over congregate care. Data indicated an over-reliance on congregate

COST WAS A SIGNIFICANT UNDERCURRENT IN MAINE'S DEBATE OVER CONGREGATE CARE.

care was damaging children, yet the state had an entrenched congregate care provider community. In addition, Maine state legislators and the governor were concerned about the astonishing cost of institutional care versus out-patient care. Casey negotiated with the governor to redirect a substantial segment of the savings that resulted from congregate care reduction into expanding community-based services for families.

Just as in New York City, the results in Maine were strong. By 2009:

- 200 children were in residential placements compared to 747 in July 2004, a 73 percent decrease.
- 30 percent of children were living in kinship care placements, compared with 12 percent in January 2003.
- 40 percent of children discharged to adoption spent less than two years in care, compared to 26.8 percent of children in similar circumstances nationwide.
- \$4 million was invested into community programs from the \$10.4 million saved overall.³

LOUISIANA OFFICE OF COMMUNITY SERVICES

In Louisiana, the opportunity moment had two names: Katrina and Rita. In 2005, the Louisiana Office of Community Services (OCS) sought to provide help to children and families in the chaotic aftermath of two powerful hurricanes. The agency had multiple problems: The availability of foster homes was limited, facilities for children were overcrowded, and congregate care numbers were way too high. More than 600 of 4,954 children in

care were in residential settings. Worse, about 14 percent of children under age 12 were in such placements.⁴ Somehow, new solutions would have to work in the challenging environment of a larger public emergency.

But OCS also had an opportunity, having received one-time federal funding that needed to be spent by September 30, 2007. The agency asked Casey for help making allocations and rebuilding their overwhelmed system.

Looking beyond the immediate emergency, the Casey consulting team and OCS targeted two levers of change, front-line practice and composition of services.

CHANGING FRONT-LINE PRACTICE

How were children faring in the state congregate care system? A pilot study asked that question through interviews with and case reviews of 25 children. The children chosen were directly affected by the hurricanes (thus making them eligible for special funding) and due to age out before the end of 2007.

Workers filled out one-page, pre-review questionnaires on each youth; these were presented to a team of state office administrators and regional staff trained to be interviewers.

Interviewers, working in teams of two, went to congregate care facilities to interview the teens about their family connections. They asked questions such as, Who visits you? Who calls you? If you could live with anyone, who would that be?



Teams were astonished by the strength of children's family ties and the speed with which children identified potential placement resources. Administrators involved in the process had a chance to see for themselves the problems these youth faced, an experience that galvanized commitment to overhauling the system. Lessons gleaned from conversations with youth:

- The main reason many youth languished in congregate care (the average length of stay was two years) was that no one had assessed whether they could live in a family setting.
- OCS caseworkers were not working to strengthen family connections. Most youth, on the brink of aging out, planned to return home to family upon exit.

CHANGING THE ARRAY OF SERVICES

As interview teams were working, Casey and OCS partnered to expand community and family resources so children leaving congregate care for foster homes, kin placements, or birth families would receive needed supports. Having such supports in place would benefit children and families and reassure caseworkers and residential providers that children's needs would be met.

As this effort moved forward, OCS put into place several intensive evidence-based family supports and clinical services, including Multi-Systemic Therapy. Additionally, OCS added mechanisms for maintaining children in their families or returning them home from the child welfare system. They developed an alternative response system, provided access to substance-abuse programs

for parents, instituted an evidence-based parenting program called "Nurturing Parent," and gave grants to kin caregivers. They also strengthened their foster home development strategy to recruit more foster families, streamline licensure, and improve retention rates among family-based care providers.

By 2008, Louisiana's efforts had yielded excellent results:

- 411 children were in residential care, down from 611 in January 2006, a 33 percent decrease.
- The increase in new foster homes intensified: In 2008, there were 700 new homes in the state compared to 496 in 2006.⁵

VIRGINIA DEPARTMENT OF SOCIAL SERVICES

Nearly one-third of the children in Virginia's foster care system were in congregate care facilities until, in 2007, a reform-minded leader stepped forward to insist on change. The Commonwealth's First Lady Anne Holton contacted the Casey Foundation with a request to improve permanency for teens, the largest group of young people in state congregate care facilities.

Casey and its partners in Virginia – a locally administered system with 126 offices – sought to use three levers of change, two of them in concert with each other. They chose to target the state's finance system while adding performance management strategies to improve its front-line practice. Moreover, they sought to involve a wide variety of stakeholders in crafting reform strategies.



A LEGISLATIVE ASSIST

Casey worked with others to assess the state system. In January 2008, the group's findings and recommendations were presented to key stakeholders, including the full House Appropriations Committee of Virginia's General Assembly. In his biennial budget, Governor Tim Kaine proposed and advocated for a child welfare reform package. Despite a state deficit of \$1 billion, the package passed the Assembly in March. Key components included:

- \$1.8 million over two years to recruit, train, and support foster and adoptive families
- A 23 percent increase over two years for foster care and adoption subsidies
- \$800,000 for the training of foster care and adoption caseworkers
- A new state-local funding formula with incentives for community-based placements

The state-local financing change was especially significant in Virginia's locally administered child welfare system. The formula increased state match funding for community-based services and decreased state match funding for residential and group-home placements. The first phase was implemented in July 2008; the second phase had two parts and began in January 2009.

THE CORE OF REFORM

As legislative work proceeded, the Council on Reform (CORE) was created to serve as the steering committee for statewide efforts to improve child welfare. CORE included

100 volunteer representatives from the state departments of social services, mental-health, and comprehensive services. It also included representatives from provider and parent organizations. Thirteen localities now sit on CORE and are committed to developing and implementing reform; these localities include the state's largest local child welfare agencies and represent nearly 50 percent of children in care.

CHANGING FRONT-LINE PRACTICE

Richmond City was selected as the first pilot site for reforming front-line practice. The first order of business was implementing Team Decision Making (TDM) for all children for whom a step-down from congregate care was considered. TDM is a facilitated meeting of professionals and clients that focuses on a key placement decision, such as moving a teen to a family-based placement. For the pilot, three court mediators were loaned to the local child welfare office to be trained to serve as TDM facilitators.

The results in Richmond were immediate. The court mediators held 250 TDMs in five months, resulting in a 30 percent decrease in the number of Richmond youth in congregate care. Birth families, never before included in meetings related to their children, were central participants in TDMs.

Statewide results were equally impressive. By March 2009:

- 1,399 children were in congregate care, down from 1,922 in 2007, a 27 percent decrease.

VIRGINIA ACTED QUICKLY TO DEVELOP A CHILD WELFARE LEGISLATIVE REFORM PACKAGE.

- The 14 CORE localities saw a 14 percent drop in the overall foster care population while statewide the numbers dropped 11 percent
- Family-based placements increased 9 percent in CORE localities and 5 percent statewide
- Discharges to permanent families were up 14 percent in CORE localities and 5 percent statewide⁶

CONCLUSION

Alone, the strategy of reducing reliance on congregate care has merits: better outcomes for children and families, support of community-based services that strengthen neighborhoods, and cost savings that can be re-invested into evidence-based family supports.

But as demonstrated in Casey consulting engagements nationwide, reforming congregate care can also spark larger, more powerful systems transformation. For many agencies, a congregate care initiative can turn the tide, providing the momentum that is necessary for true transformation.

All of the systems described in this report are now leading their own congregate care rightsizing efforts. The success described here is theirs. To the extent that some projects began by focusing on one or two principal change levers, almost every system has gone on to influence all the levers. Moreover, in every site where Casey teams worked, child welfare leaders viewed congregate care reduction as one component of a larger system reform effort that continues today.

AUTHOR ACKNOWLEDGEMENTS

Kathleen Noonan, J.D., is managing director of the Policy Lab at the Children’s Hospital of Philadelphia.

Dara Menashi, Ph.D., works with the Child Welfare Strategy Group, part of the Center for Effective Family Services and Systems within the Annie E. Casey Foundation.

This paper came out of a workgroup led by Tanya Washington and Chris Behan of Casey Strategic Consulting Group, which included Ayanna Baker, Elisha Gilliam, Jacqueline Melton, Emily Prevas, and Gretchen Test.

ENDNOTES

¹ New York City ACS administrative data, 2002-2009

² New York City ACS administrative data, 2002-2009

³ Maine BCFS administrative data, 2003-2009

⁴ Louisiana OCS administrative data, 2005

⁵ Louisiana OCS administrative data, 2005-2009

⁶ Virginia Department of Social Services administrative data, 2007-2009

REFORMING CONGREGATE CARE CAN SPARK LARGER, MORE POWERFUL SYSTEMS TRANSFORMATION.





The Annie E. Casey Foundation provides strategic consulting on child welfare issues through the Child Welfare Strategy Group (CWSG), a unit within the Foundation's Center for Effective Family Services and Systems. In 2009, CWSG brought together the consulting resources of the Casey Strategic Consulting Group, the Casey Center for Effective Child Welfare Services, and Casey's Family to Family Initiative. CWSG facilitates significant, measurable, and enduring human systems transformations to improve the lives of children and families.

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. It was established in 1948 by Jim Casey, founder of UPS, and his siblings, who named the Foundation in honor of their mother. The primary mission of the Foundation is to foster public policies, human systems reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of that goal, the Foundation makes grants that help states, cities and neighborhoods fashion more innovative, cost-effective responses to these needs.

For more information, visit the Foundation's website at www.aecf.org.

©2010, The Annie E. Casey Foundation, Baltimore, Maryland

The Annie E. Casey Foundation

701 St. Paul Street

Baltimore, MD 21202

410.547.6600

410.547.6624 fax