The Challenges and Opportunities of Performance-Based Contracting: Coming Together for Washington’s Children

Sharon Osborne is President/CEO of Children’s Home Society of Washington (CHSW) and is responsible for the oversight and management of Washington’s largest statewide non-profit organization serving children and families. Since arriving at the agency almost 30 years ago, CHSW has more than quadrupled the number of individuals served to nearly 39,000 a year. The agency’s budget has taken a commensurate leap as well and is currently one of the largest full-service child welfare agencies in the United States.

Background on House Bill 2106

During the 2009 legislative session, Senator Jim Hargrove and Representative Ruth Kagi spearheaded legislation laying the groundwork for public and private partnerships to transform services for our children. This legislation, 2SHB 2106, called for a shift to performance-based contracting of many of the programs and services currently provided by the Department of Health and Social Services (DSHS).

This new law requires DSHS to consolidate and convert current contracts for child welfare services to performance-based contracts in 2011. It also created the Child Welfare Transformation Design Committee (TDC) to select two demonstration sites that must implement a more comprehensive system of performance-based child welfare services in 2012. Sharon Osborne, President/CEO of Children’s Home Society of Washington, serves as one of four private non-profit service provider representatives on the TDC.

Q: What do you think are the greatest opportunities offered by the new PBC / Lead Agency restructuring of Child Welfare Services?

SO: The greatest opportunity with performance-based contracting is that we have the opportunity to design a more effective child welfare system. This means that all stakeholders — the state, veteran parents, caseworkers, providers, and others — can together build a system of care that meets the needs of children and families. This is an incredible opportunity — and something that our partners in Region 3 and 4 are all very excited about.

Instead of focusing on just the actual services, performance-based contracting is driven by detailed outcomes that lead to child safety and well-being. This is a simple but effective concept that CHSW and other organizations have embraced. Ultimately, performance-based contracting will motivate us to all work together to move children out of the system using the highest standards of care and best practice. Many states have already moved toward this method of performance-based contracting. The results have been mixed, but there is a growing body of evidence that carefully planned performance-based contracting in a truly collaborative environment can allow us to better serve children.

Acknowledgments of Recent Significant Donations:

$50,000: Walmart Foundation for Specific Assistance Fund
$25,000: Connie & Steven Ballmer in unrestricted funds
$12,772: Microsoft Giving & Matching Program, including Mary Snapp, $625 & Margo Day, $500
$10,000: Elizabeth A. Lynn Foundation for Specific Assistance Fund
$5,000: Sonia O. Kemp Charitable Trust in unrestricted funds
$3,444: United Way of King County, including Capital Industries, $1,100
$2,500: Crane Fund for Widows & Children for Specific Assistance Fund
$2,000: Leonie Barnes Living Trust in unrestricted funds
$1,731: JustGive.org, including Jeff Danner, $600
$1,347: The Estate of Connie Young
$1,000: Edith & Ray Aspiri
$667: Washington State Employees Combined Fund Drive
$500: Sylvia Wilks
$500: American Express PAC Match Program
$489: Combined Federal Campaign of King County
$450: Women’s Philanthropic Investment Group (WPIG) in unrestricted funds
$400: Jean & Bill Frankland

Thank You to Our In-Kind Donors:

$1,200: Hartley & Marks Publishers, Inc. with 100 new journals
$1,082: California Closets with consultation & donation of shelving units for the children’s clothing closet
$450: Robin Leppo with a foosball table & a ping pong table for a foster family
$360: Sterling Savings Bank with 30 tickets to a Thunderbirds match
$360: Wes Ewart with 36 night lights

Donate Online: www.ryther.org

Featured Artwork: A painting entitled “Over the Green Hills” by a 13-year-old girl at Ryther.
From the Executive Director

This newsletter has presented information on Adverse Childhood Experiences (ACE's) in the past, and the data that came out of the landmark research by Drs. Felitti and Anda is truly astounding. Everyone is encouraged to go on line and simply Google the term “Adverse Childhood Experiences,” and you will find a wealth of information instantly available. I will come back to some of these findings shortly.

According to a March 18 press release by Psychiatric News regarding some recently released research findings from Harvard and RAND that compared utilization and cost data relative to parity insurance coverage for substance abuse treatment, a number of old assumptions used by the opponents of parity are simply not supported. Those assumptions included one that said more people having this kind of coverage would result in higher utilization by the covered population. A related assumption was that this would also increase the out of pocket expenses by those covered and using the services. Both of these assumptions were demonstrated to be wrong.

Utilization of the Substance Abuse benefit did not increase in the population where parity was in effect, and the out of pocket expenditures by the insured also actually dropped. In summary, “…this parity law does what it’s supposed to do, lower out of pocket expenses for covered individuals and not increase overall costs.”

Eric’s Second Chance

At age 17, “Eric” needed a second chance. Despite being adopted at age three by a strong, loving mother, Eric had joined a gang. With his addictions to marijuana and alcohol, his life took a turn for the worse as he started stealing credit cards (including his mom’s) and identities. He was also dealing drugs. After a few failed attempts at outpatient treatment, his mother got him to Ryther’s Cottage B inpatient substance abuse treatment program by fabricating a trip to the dentist. Within the first two weeks, Eric earned quite a reputation by refusing to follow rules, instigating peers to follow suit and damaging property. It is not uncommon for depression to be masked by rage, and Eric was soon diagnosed with depression by Ryther’s psychiatrist, Dr. Linda Ford. At Ryther, when clients are not progressing or are close to failing, they are also given hope with a “Phoenix,” or a second chance to step up. Eric had earned a Phoenix, and it was then that he realized staff were going to stand by him and be consistent and his behavior was not going to distract from the work that needed to be done. After a particularly emotional argument with his mother during a visit, Eric was able to draw upon some self-soothing skills he learned at Ryther. He experienced success in calming down and now acknowledges this was the turning point for him. When staff elected him as community leader that same week, Eric had to set the standard for the other boys by being respectful and following directions. They began to look up to him, which boosted Eric’s self-esteem. He led a treatment group, succeeded on Ryther’s Challenge Course, and graduated from Ryther with his mother at his side, arm in arm. He called a few weeks ago to let staff know that he is consistently attending therapy and treatment meetings, has enrolled in a GED program and that he and his mom are getting along really well. Eric is spending a lot of time at home since he’s worried about running into old acquaintances, but there is a benefit to that: he gets to spend time with his sister, too.

To learn more about Ryther’s inpatient treatment program for teen boys, contact Karen Brady, Chief of Clinical Services at 206.517.0267.

Thank You Corporate and Foundation Supporters!

The Walmart Foundation recently awarded Ryther with a $50,000 grant to support the Specific Assistance Fund which provides children and youth in our care necessary items such as clothing, toiletries, and eyeglasses as well as the extras like swim or dance classes. Halloween costumes, trips to local theatres and birthday presents are expensed from this Fund as well. We are also grateful to our other recent contributors to the Specific Assistance Fund: BNSF Foundation, Crane Fund for Widows & Children, Danica Children’s Foundation, the Foster Foundation, the Elizabeth A. Lynn Foundation and Windermere Foundation.
Interview with Sharon Osborne

Q: What do you think are the greatest challenges facing Lead Agency candidates?
SO: The main challenge is that the implementation of performance-based contracting is happening at one of the most difficult economic times in Washington. Our current state budget deficit is at $5.3 billion dollars. This means that funding for critical programs — including those programs supported by the funds under 2106 — is eroding, and master and subcontracting agencies will be forced to do more with less. We do believe that lead agencies can create a more efficient system, but we will need adequate resources to meet the increasing needs of our state’s most vulnerable and at-risk children.

Q: What are the principle strengths that CHSW brings to the table as a Lead Agency candidate?
SO: CHSW is known for excellence in our programs and services, and we have a strong reputation built on 115 years of service to children and families. We also pride ourselves on innovation. We are a full-service agency able to meet the needs of the whole child, and connect the child and family with the right resources in order to move them out of the child welfare system and into a permanent, safe, and loving home.

Strong partnerships with fellow providers, community organizations, and the State are vital to the success of performance-based contracting. Fortunately, this is how we have always done business at CHSW. House Bill 2106 is requiring that all lead agencies form strong partnerships with existing community providers to provide wraparound service – a process by which service providers collaborate to improve the lives of children, families and adults by creating, enhancing, and accessing a coordinated system of support through a strengths-based, client-driven model. Children’s Home Society of Washington has been doing this for 20 years. In fact, CHSW has been at the forefront of this type of change since the Progressive Era of the early 1900s when we helped shape modern adoption practices and Washington State’s child welfare system.

Q: What are the most important qualities you are looking for in subcontract partners?
SO: We are looking for partners who deliver the highest quality of care possible, are intimately aware of the needs of children and families, and possess the ability to develop innovative ways to serve them. Partner agencies must share the same service values of Children’s Home Society — partnership, best practice, high quality care, meeting the needs of the whole child from birth and beyond, and the belief that strong families are essential to creating healthy children. Partner agencies must also possess a willingness to collaborate. This is a chance for all of us to come together to build a new system for our children.

We have been fortunate to bring together a strong contingent of partners in Regions 3 and 4. In December of 2010, over 100 Washington State child providers, parents, and community partners came together to discuss performance-based contracting. Together, we formed a shared understanding of HB 2106 and the current implications and opportunities for collaboration at the regional level, and we began to develop a shared vision among a diverse group of stakeholders on integrated service structure. These types of conversations inform our work together as we collectively create a new future for children in Washington.

Thank You Hess!

Hess Corporation brought 70 staff volunteers to Ryther’s campus, bringing computers and electronics for the kids’ cottages as well as working to ready the campus gardens for spring.

League News

The League’s Sunrise Unit has brought a new activity and hopefully a new tradition to the children and teens in Ryther’s sub-acute care and teen boys’ inpatient treatment programs – “Binguary!” This translates to Bingo in January and is as unique as Sunrise Unit’s annual Bingo de Mayo event (this year’s is May 7th). Many League members have already been providing direct service through volunteer projects: Metropolitan’s Pool Extravaganza and weekend art activities, Off-Campus’ R-Salon Days and the R-Shoppe’s partnership with Delphi Resources students, giving young people with Asperger’s a chance to sharpen their social skills.

To learn about the League’s events and how to start or join a Unit, visit www.rytherleague.org.
Understanding the Need to Change

Ryther’s newest evidence-based practice is Motivational Interviewing (MI), which has universal application for children, adolescents and parents. MI is essential to help clients tap into their own motivation as to why they might want to change their behavior. People think that MI is simple, but it’s not as simple as it might appear. Clients who aren’t particularly motivated are looking for lots of reasons not to go down the path of change — change is hard. If clients get any chance to take a path that doesn’t lead to change, they will usually take it. A significant portion of MI is to get clients to the contemplation stage where they start asking themselves, “Should I change this behavior?” Therapists’ questions serve to elicit reasons they may want to change, rather than ask questions that may reinforce reasons not to change. For example, the therapist may ask, “On a scale of 1 to 5, with 5 being highest, how motivated are you to change this behavior?” “Oh, a two. Why didn’t you rate it a 1?” This helps clients name the reasons why they should change: “This is something I argue with my kids about and I’m getting tired of arguing.” The client begins to think about what it is in his or her life that is a motivation to make things better, whether that is to stop drinking, start talking to their kids more or begin exercising. It helps clients refocus on all of the reasons why they should change.

For more information about Ryther’s outpatient counseling services, contact Karen Brady, Chief of Clinical Services, at 206.517.0267.

Thank You to our Taproot Foundation Team!

You may have noticed that our name and logo have changed, and our newsletter has a new format. The words “Child Center” are gone as Ryther is so much more than a single place. Added is a tagline: “Healthy Children. Stronger Families.” This describes who we are and our purpose as an organization, and it captures the heart of what Mother Ryther cared about from the beginning.

The Taproot Foundation’s back-to-back grants valued at $55,000 each made this possible. The Seattle Taproot team of experienced and talented marketing professionals developed and created Ryther’s new messaging, naming and visuals including logo and collateral material design.

To learn about the work Taproot provides to nonprofits, visit www.taprootfoundation.org.