

## Formation

In the mid 1990's the state of Missouri Departments of Social Services and Mental Health received a Robert Wood Johnson Foundation grant to plan a service delivery system for children with serious emotional disturbances who were accessing high end mental health services through the public child welfare system. The grant allowed the state to pilot a model system, establishing a joint pool of funds and one access point for the neediest children in the child welfare, juvenile justice, or mental health systems who also represented the most expensive treatment in the system. During this time period, several private child service agency executives began discussing their long-standing concerns with the excessive stays in residential treatment, specifically the lack of timely movement from restrictive to community placement settings. Many of these agencies were large residential treatment providers in Missouri. In March 1997, through the collaboration and capital investments of non-profit 501(c) (3) service agencies, Missouri Alliance for Children and Families (MACF) was formed as a limited liability corporation (LLC).

The agencies who formed this partnership were some of the most prestigious and longstanding child serving agencies in Missouri. They ranged from faith based agencies such as Missouri Baptist Children's Home & Presbyterian Children's Services through long standing traditional residential treatment agencies such as Boys and Girls Town of Missouri. The agencies had long been concerned about children with past optimal, lengthy stays in residential treatment. The state agency had high caseloads and children in institutions were considered safe and, therefore, were not given the priority of caseworkers who were faced with daily crises with children in community settings. They felt that the system needed to be changed and the pilot program offered an opportunity to demonstrate such a change. This partnership then bid and was awarded a contract for a managed care pilot project, known as the Interdepartmental Initiative for Children with Severe Needs and their Families.

## Management

In order to protect their individual agencies, the partners created the Missouri Alliance as a Limited Liability Corporation. This model would prevent any single agency from harm if the Missouri Alliance were to fail as a company. In order to assure equal representation in the partnership, they established a Board of Managers with one representative from each owner agency; this representative is generally the Chief Executive Officer of each owner agency. The Board hired a President to run MACF. In October 1998, MACF began hiring and training new employees. March 1999 marked the beginning of MACF serving children and families. The Board currently meets monthly and provides oversight and guidance in strategic planning. At 2009 year's end, MACF employed 126 full and part-time staff in multiple departments: Case Management; Foster Care; Business Operations (Finance, Information Technology (IT) and Contracting); Human Resources, Quality Assurance and Training; Administration. This structure

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has allowed the management staff of MACF the flexibility to design a system which can utilize the services and creative expertise of all of the owners without becoming dependent on any individual owner.

## Challenges

After the first year of struggling to move children out of residential placements, MACF created its own department to recruit, train and license specialized foster parents. These specialized foster parents are given more training and support and greater reimbursement. This proved to be one of the strongest components in our success. By the end of 2009, 68% of children served by MACF case management contracts were placed in the community in a foster or relative/kinship home.

In an effort to move beyond “foster care”, MACF recently embraced the Family Finding model of care. This model utilizes extreme efforts to find the child’s family members to provide short term and eventual permanent placements for the child. The model has been promoted within MACF as well as within the MACF owner agencies. To date, over 100 youth have been involved in the search and engagement efforts under Family Finding.

The partners have also been very creative in developing new innovative programs for children who by necessity must spend time in more restrictive settings. One partner designed and dedicated one cottage on campus specifically for MACF children. Another partner has created a series of community based, small individualized homes for 2-4 youth.

## Impact

Since 1999, 64.4% of all enrolled clients (1,031 youth) have been successfully “disenrolled”. A disenrollment is defined as a youth achieving stability in the community for at least 120 days while still remaining in the child welfare system, or exiting the child welfare system by achieving legal permanency.

The success of the original pilot led MACF and owner agencies to bid on a new Foster Care Case Management (FCCM) contract in 2005 in the St. Louis region known as the Missouri Alliance Permanency Program (MAPP). In 2008, MACF and the owners bid on and received an additional four FCCM contracts in four new regions throughout Missouri.

Including the original contract and the five FCCM contracts, MACF and its owners served over 2,400 children in 2009. In the FCCM contracts combined, 33% of children achieved permanency through reunification, adoption, or guardianship during the 2008-2009 contract year (three out of the five contracts surpassed the state’s target percentage).

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Through our data and outcome tracking, MACF and owning agencies are constantly aware of permanency rates, agency expenses, and placement issues. MACF teams and owner agencies share their success stories and failures in Program Director and Board meetings, focusing on learning and growing together. Shared risk, reward, and responsibility – our unofficial motto.

## *Model*

The state of Missouri is one of the few states throughout the country not just privatizing child welfare, but forming a truly productive and successful partnership between the public and private sectors. The collaboration of the original agencies around seriously emotionally disturbed children served as a model for the state agency when it moved to a broader public/private partnership with the general population of foster children. Consortiums of agencies similar to the MACF partnership have been encouraged by the state agency.

This collaboration demonstrates conclusively that agencies which are competitors in the delivery field of child welfare services can come together to create a successful new system of finding stable homes for “hard-to-place children.

## *Efficiencies achieved*

The formation and subsequent development of the collaboration provided significant economic benefits. The partner agencies were able to participate in service delivery due to the acquisition of additional contracts without providing additional capital investments. The collaboration, MACF, bid on a series of contracts let by the state of Missouri in 2005 and again in 2008 which furthered the mission of MACF to make substantive changes in the child welfare system. The state began contracting for case management and services for over 1/3 of the 3,500 children entering foster care. The Alliance was able to bid and acquire these contracts representing over \$27,000,000, and 1200 children by forming sub partnerships with members of the collaborative. The partners then became the primary case managers for the children, but utilized the Alliance’s stable of providers to deliver the services. This significantly increased the revenue stream for MACF and its collaborators.

As a result of this effort, permanencies for children have been increased and the service array has been expanded. Although the state was limited to prescribed specific services, the Alliance was able to develop very individualized case plans for the children and their families as a result of the flexible funding. This model is a significant departure from the state run child welfare system. Although the adaption of this model for state workers has not yet occurred, the significant outcomes which have been achieved speak to the need for changes in the state system.

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In addition to the basic case management contracts, the original “specialized contract” has continued and is now in its 12th year. The contract has served over 2,000 children to date and has been overwhelmingly successful in returning children to their community. During the most recent year over 70% of the children served exited to a stable placement in the community. Most of these children would have remained in residential treatment and aged out of the system. In addition to the benefits to the individual children, the cost avoidance is enormous. When the children are referred to the Alliance, their average monthly cost is over \$4,000. When they are successfully placed in the community, their monthly cost is around \$1,500. Assuming only one month of savings for each child successful, the state of Missouri would realize approximately \$2.5 million dollars. Also assuming that these children would have remained in high end placements for an additional 12 months without the intervention of MACF (which is highly likely), the savings would be over \$30 million dollars.

## Missouri Alliance for Children and Families statistical data

- Began receiving referrals in March 1999
- Children served in specialized contract to date: 2000
- Children currently enrolled: 304
- Children successfully placed: 1085
- Success rate from March 1999 to March 2006: 65%
- Success rate from April 2006 to present: 72%
- Average age at enrollment: 14.8 years
- Average length of enrollment for success: 24 months
- Average monthly cost per child at enrollment: \$3,982
- Average monthly cost per child after placement: \$1,575
- Ave. monthly cost per child savings: \$2,407
- Total one month cost reduction for 1085 children: \$2,611,595
- Cost reduction per year: \$31,339,140

It is important to note that children identified and served through this program would have had virtually no chance for successful placement in their community by age 18. The partners in The Alliance were seriously concerned about the length of stay of these children within their own residential programs. The children were not exiting upon completion of their clinical treatment but were remaining for long lengths of stay. The partners were eager to address this problem, and they have been thrilled by the movement to the community and the subsequent success of the children. It goes without saying that this collaboration and their willingness to address the problem by these traditional residential agencies, was an initiative requiring them to set aside what was best for their business (i.e., keeping their beds occupied) and, instead, concentrate on what was in the best interest of these children. In addition to up fronting the initial capital investment, they realized that their efforts would also reduce each of their own revenues as vacant beds were created.

Although the benefit to each individual child in the community cannot be quantified, the success of the program has, in fact, spawned other community collaborations. In St. Louis, two additional

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consortiums, St. Louis Partners and Children's Permanency Partnership, very similar to MACF, formed to obtain contracts for foster case management. Previously competitors, organizations such as Catholic Charities, Epworth, Bringing Families Together, Our Little Haven, and Lutheran Family and Children's Services joined these new consortiums. These agencies saw the advantage of coming together in a collaborative effort to provide services to foster children. The Missouri Alliance for Children and Families had demonstrated the effectiveness of this model for providing services to foster children. Another innovation implemented and promoted by the collaboration is the model of child welfare practice which places heavy emphasis on the child's biological family. Originally conceived as "Family Finding", it places significant resources on finding family members as the child is about to enter foster care. In many instances, these family members then become the first placement for a child if it is necessary for the child to leave their home. This model represents a significant shift away from foster care which is traditionally with families who are strangers to the child. If taken to its logical conclusion it will represent a paradigm shift in the delivery of public child welfare services. The Missouri Alliance for Children and Families has been at the forefront of implementing this model with the children and families that it serves.

These programs and models fall directly in line with the original intent of the collaboration to change the child welfare system. They have provided innovative and tested methods of a design which emphasizes flexibility, family, and outcomes. Sadly, there were children that were not successfully placed – and this speaks directly to the critical importance of giving these "hard to place" children our very best efforts. We were unable to help this group of children for several reasons:

- They are released from custody based on the state's recommendation.
- They run away.
- They are incarcerated due to the commission of a crime or juvenile offense.
- Their diagnosis and condition is of such severity that they must remain institutionalized.

## Evolution

After the original formation of the collaboration, the state awarded a contract for "specialized" case management. This was the primary impetus for the original formation. The collaborators felt that if they had an opportunity to provide this service, they could begin initiating innovations and changes in the public child welfare system.

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The collaboration began through a series of meetings among various agencies. Once the agencies decided to form a new entity with their agencies as partners they decided to establish the entity as a Limited Liability Partnership. This decision was made for a very pragmatic reason. They needed to protect their individual agencies from liability if the new partnership and subsequent contract began to have problems. They each committed capital to form the company and served on the Board of Managers.

This structure has contributed to the success of the company through the willingness of the partners to develop additional services, participate in the program planning efforts, and promote the efforts of the Alliance to obtain additional contracts and revenue streams. The Alliance has not been without its challenges due to the potential competitive nature of the environment. Many of the owners deliver the same services and the Alliance staff must assure to the satisfaction of the Board of Managers that services are purchased to the best benefit of the child and family without any preferential treatment for one or more partners. This challenge is met through complete and open disclosure of all contractual arrangements, providing the opportunity for all partners to be involved in new pieces of business, and frank discussions of issues by the Board of Managers.

The partners have benefited from the collaboration in many ways. They were able to embark on new lines of business without risking their basic business in the process. They are able to learn from each other in such areas as program development, human relations, information technology, and management. They have achieved a greater presence in the state child welfare system than they would have developed individually. By 2008, the collaboration has procured 6 state contracts providing a cohesive consistent system in the privatized child welfare world. Without the collaboration, the individual agencies might not have bid on the contracts, or would have individually acquired contracts thus fragmenting the privatization of child welfare in Missouri. In addition, the collaboration has been instrumental in helping the state agency obtain additional resources necessary to become accredited by the Council on Accreditation through active support for this and other initiatives at the Missouri legislature. This was achieved with full accreditation status for the state agency in January 2010.

The true success of the collaboration is measured through its outcomes. First, the collaboration has achieved far greater success with “specialized” children at the high end of the system than would have been achieved by the state agency, or than would have been achieved by any partner individually. Secondly, the collaboration has been highly successful in obtaining state contracts for additional services. The rebid of Foster Care Case Management in 2008 is a prime example. The state bid an additional 3 geographic areas of the state and the Alliance successfully obtained all 3 of the new geographic areas as the sole provider.

This collaboration distinguishes itself by representing a dramatic change in the landscape of providers in Missouri by proving that competitors can come together and partner when it's to the benefit of children and families. Most importantly, it has been unbelievably successful in changing the lives of the most challenging children in the public system.