

Financing the Better Results for Kids Redesign

Update for the Health and Human Services
Appropriation Subcommittee

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Principles

- Financing and provider payment methods must support the purchase of results and family centered, community based approach to service delivery.
- Financing strategy must assure appropriate use of funding and maximize federal funding streams that support this approach.
- Provider payment methods must enable effective stewardship of public funding without creating undue burden.

Better Results for Kids Financing/Purchasing Strategy – Case Rates

- The Redesign proposed:
 - Some number of private entities would assume case coordination for a group of child welfare cases, as well as the delivery of all services and supports needed by the child/family to achieve outcomes
 - Case coordinating entity would be paid a rate – either monthly or for full episode – for each child referred
- Advantages
 - Providers would have flexibility to match services with child and family needs, and would have reduced paperwork
 - Focuses reimbursement on achievement of results vs. process or activity
- Example – Wraparound Milwaukee

Challenges to Implementing this Model of Case Rates

- No jurisdiction has gone to scale statewide or with same mix of funding
- Redesigned system must continue to rely upon existing mix of federal and state funds, but both Medicaid and IV-E lack flexibility needed for case rates
- Lack of robust data on actual costs for a child/family for an episode of care, and on relationship between outcomes and costs
- Capacity of providers to accept financial risk

Lack of flexibility in federal Medicaid and IV-E funding

- Limitations to Medicaid funding
 - Service definitions narrowly focused on more clinical services vs. flexible non-traditional services
 - Services focused on individual child vs. family
- Limitation to IV-E funding
 - Reimbursement limited to out-of-home care
 - Reimbursement limited to maintenance vs. services to child/family to address problems leading to placement
- Limitation to both Medicaid and IV-E
 - Pay for activities/process vs. results

Interim Strategies

- Strategies to build capacity towards purchasing results
 - Explore other payment methods that are consistent with purchasing results, and can be implemented without waivers
 - Explore Medicaid and IV-E waivers
 - Modify existing contracts to include outcome reporting
- Strategies to expand flexibility and provide relief within current system
 - Modify existing non-RTS rules within family centered program to allow greater flexibility
 - Modify existing RTS program requirements within current Medicaid rules
 - Modify RTS authorization process to make more user friendly