



**Privatization and Performance Based Contracting in Child Welfare**

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## Introductory Note: Privatization and Performance Based Contracting in Child Welfare

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*Crystal Collins-Camargo, PhD*

This Special Issue provides an example of a cutting-edge approach to applied, collaborative, multi-site research on a topic of timely relevance to the field. The topic is privatization and incentivized, outcome-based contracting of child welfare services. The cutting-edge approach is embodied in the work of the Quality Improvement Center. While all child welfare systems require the engaged participation of both the public and private sectors, some public child welfare systems have entered a more active relationship with private for-profit and not-for-profit service providers. There may be no topic of greater importance within these partnerships than how and why these contractual relationships, along with an integrated quality-improvement process, engage both sectors in the promotion of positive outcomes for children and their families.

Child welfare was born in the private sector with the development of charity organizations in the 1920's, but with the passage of state mandatory reporting laws and the building of child protection systems, the focus shifted to the public sector (Petr & Johnson, 1999). However, even with this shift in focus, private agencies continued to play a significant role by providing discrete services to the children and families served by the public agency. Over the past decade, some states have begun to move greater responsibility for portions of core, child welfare services to the private sector while maintaining oversight capacity and child maltreatment investigation. However, these changes have not been evaluated by rigorous research on how these public/private partnerships function (Lee et al., 2006; Courtney, 2000; Nightingale & Pindus, 1998).

This edition focuses on a federally funded initiative targeted at increasing the research evidence base in this area. The Children's Bureau of the U.S. Dept. of Health and Human Services (DHHS) began funding quality improvement centers (QICs) in 2001 with regionally based QICs to promote knowledge development regarding critical child welfare topics (Brodowski et al., 2003). These multi-year

initiatives identify knowledge gaps, and they fund multiple research and demonstration projects operating in a collaborative manner to generate applied research designed to benefit practitioners and policy makers.

*Professional Development* is committed to such research-to-practice initiatives and featured two prior Special Issues on the work of the Southern Regional Quality Improvement Center (SRQIC). The Center's work on frontline supervision in child welfare was featured in a 2003 (Vol. 6, No. 1 & 2) issue as planned, professional, continuing-education intervention and outcome evaluation. The 2006 issue (Vol. 9, No. 2 & 3) presented findings of the three-year implementation studies. This current issue highlights research being conducted by the National Quality Improvement Center on Child Welfare Services (QIC PCW), operated by the Univ. of Kentucky in collaboration with Planning and Learning Technologies, Inc., through a three-state research and demonstration study on the impact of innovative performance based contracting and quality assurance systems engaging the public and private sectors. Upon completion of this applied research, a second volume is planned which will be devoted to findings.

### **In this Special Issue**

In recognition of the fact that some states were moving increasing proportions of the service array to the private sector, the federal government invested in public/private partnership knowledge development through the 2005 establishment of the QIC PCW. Rather than a broad child welfare scope, the purview of the QIC was specifically focused on privatization. Shortly thereafter, the Office of the Assistant Secretary for Planning and Evaluation (ASPE) within the DHHS began an initiative to further inform the field through the development of a series of topical papers related to child welfare privatization and the exploration

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of options for future research. So we begin with Wright and Radel, who provide the federal perspective. They describe child welfare privatization as a federal issue, both in terms of a structural approach to state provision of mandated services and as privatization relates to federal efforts to measure outcome achievement, performance improvement, and the provision of services, such as SACWIS systems and workforce issues.

The next article provides a foundation regarding the findings of the QIC PCW work to date, their collaborative approach, and implications for the field. Collins-Camargo, Hall, Flaherty, Ensign, Garstka, and Yoder broadly summarize the findings of the first-year needs assessment, knowledge-gaps analysis, and literature review on child welfare privatization. The findings of this process led to the selection of the topical focus area for the multi-state study. It was very clear that the impact of innovative, performance based contracting, and quality assurance (PBCQA) systems in achieving organizational, practice, and client outcomes was of tremendous value to the entire field of child welfare, not just “privatized” states. The entire system is in the throes of trying to determine how best to promote desired outcomes, to incentivize or disincentivize performance in such a way that the right decisions are made in the best interest of each child, and to implement an integrated, continuous, quality-improvement approach to their use of data, staff, practice development, and financial structures in this process. An overview of the cross-site evaluation and the collaborative-process design is described.

The Spring 2008 issue of *Professional Development* will publish an article by Flaherty, Collins-Camargo, and Lee offering a detailed description of the findings from one of the knowledge-gaps analysis methodologies: a thematic analysis of qualitative data gathered at three intensive forums in which twelve states that are experienced in privatization describe the challenges, solutions, and lessons they have learned. That article focuses on a topic of particular interest to the field: payment systems, contract management, and systems oversight.

The remainder of this volume gives voice to the

unique research and demonstration projects being implemented in three states with privatized case management for out-of-home care cases. Kearney and McEwen provide an overview of efforts in Illinois, a state nationally recognized for its successful implementation of PBC in their foster care system. Here, they turn their attention to children and youth at a higher level of need: those in residential, transitional, and independent living programs. In the next article, Watt, Porter, Renner, and Parker detail Missouri’s evolution beyond an initial pilot of a PBC into the maintenance phase in which contract adjustment and the implementation of quality-improvement strategies work to keep the partnership on track. Both of these articles offer a description of historical context, the unique contribution their research will make to the literature, and the quasi-experimental design employed.

Finally, DeStephano, Elder, Cooper, and Schuler describe their inclusive, collaborative approach to the development of a PBCQA system in Florida, an early pioneer in child welfare privatization. Their model focuses on the promotion of evidence-informed practice change on the frontline level.

My colleagues and I are grateful for this opportunity to explore a collaborative, professional-development endeavor while it remains “in progress.” Oftentimes it is the lessons learned through the process of such an initiative that we gain the very insights that enable us to pursue the outcomes we owe our children.

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