

# FINAL BILL REPORT

## EHB 2749

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Synopsis as Enacted

**Brief Description:** Extending dates concerning measuring performance and performance-based contracting of the child welfare system.

**Sponsors:** Representatives Kagi and Ormsby; by request of Department of Social and Health Services.

**House Committee on Early Learning & Human Services**  
**House Committee on Appropriations**  
**Senate Committee on Human Services, Mental Health & Housing**

### **Background:**

#### Performance-Based Contracts.

In 2009 the Department of Social and Health Services (DSHS) was required to make contracting changes in two phases to include:

- converting existing contracts for child welfare services to performance-based contracts by 2011; and
- contracting with supervising agencies for child welfare services, including case management functions, in select demonstration sites by June 30, 2012.

#### *Phase One: Performance-Based Contracts and Network Administrator.*

The requirement that the DSHS convert existing contracts for child welfare services to performance-based contracts has been designated as Phase One of performance-based contracting.

In 2011 the DSHS offered a model for Phase One that would reduce the number of contracts by establishing one lead agency contractor per geographic area to provide or subcontract for all child welfare services. Contract performance would be measured by outcomes related to child safety and well-being, timeliness of services, and results of periodic satisfaction surveys. A request for proposals for this model was released in February 2011.

In May 2011 a Thurston County Court granted a preliminary injunction against the state, ruling that the DSHS was in violation of state law requiring agencies that contract out duties customarily performed by state workers to permit state employees to offer alternatives or bid for the contracts.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

In 2012 and 2013 the DSHS was required to enter into performance-based contracts for family support and related services no later than December 1, 2014. The DSHS was further required to conduct a procurement process to enter into a performance-based contract for family support and related services.

In December 2014 the DSHS entered into a contract with the Family Impact Network (FIN), a subsidiary of the Empire Health Foundation, to act as the network administrator for performance-based contracting for family support and related services in Spokane and neighboring counties. The FIN began managing child welfare parent child visitation contracts during the summer of 2016.

*Phase Two: Demonstration Sites.*

The requirement that the DSHS set up two demonstration sites to compare child welfare case management by supervising agencies with child welfare case management by employees of the DSHS has been designated as Phase Two of performance-based contracting. A supervising agency is defined as an agency licensed by the state or an Indian tribe that has entered into a performance-based contract with the DSHS to provide child welfare services.

The implementation dates for the demonstration sites that must be operated by supervising agencies have been periodically extended. In 2013 the implementation date was extended to December 30, 2016.

Child Welfare Transformation Design Committee.

The Child Welfare Transformation Design Committee (TDC) was established in 2009 and charged with selecting the two demonstration sites to be used for the comparison of the delivery of child welfare services. The TDC was also required to develop performance outcomes to be included in performance-based contracts. Initially, the TDC was required to report to the Governor and the Legislative Children's Oversight Committee on a quarterly basis.

In November 2011 the TDC determined the locations for the two demonstration sites. The TDC selected a western Washington site to include the offices in Everett, Lynnwood, Sky Valley, Smokey Point, and two offices in Seattle (King West and Martin Luther King Jr.). The TDC selected an eastern Washington site to include offices in Clarkston, Colfax, Moses Lake, and Spokane. The TDC also invited three tribes in eastern Washington (Colville, Spokane, and Kalispel) to take part in the demonstration.

In 2013 the TDC was suspended until December 1, 2015, and expires on July 13, 2016.

**Summary:**

The implementation date for the demonstration sites operated by supervising agencies that deliver child welfare services is delayed from December 30, 2016, to December 30, 2019.

The reporting date for the second report provided by the Washington State Institute for Public Policy regarding the conversion of the DSHS to the use of performance-based contracts is delayed from June 1, 2018, to June 1, 2023.

The date by which the Governor must decide whether to expand the demonstration sites statewide is delayed from June 1, 2018, to June 1, 2023.

**Votes on Final Passage:**

House	90	6	
Senate	46	0	(Senate amended)
House	91	5	(House concurred)

**Effective:** June 9, 2016