Annotated Bibliography on Child Welfare Privatization and Public/Private Partnership, Performance Based Contracting and Quality Assurance Systems Publications Since 2005

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In 2005 the National Quality Improvement Center on the Privatization of Child Welfare Services published two literature reviews, one focusing on child welfare privatization, and a second on performance based contracting and quality assurance systems in child welfare, along with a bibliography of associated publications. This current annotated bibliography was created to update these resources by identifying publications since 2005 related to both of these broad topics and should be considered supplemental to the original resources.

This literature search was conducted from April 6, 2009 through May 28, 2009 through the University of Louisville Library system to identify relevant literature published since 2005. The following databases were searched: EBSCO Academic Search Premier, Applied Social Science Index and Abstract, Ovid SP, Social Services Abstract, Social Work Abstracts Plus, and World Cat, using the following search terms: child welfare, privatization, public/private partnership, performance-based contracting, and quality assurance. Upon appraisal, 48 sources were found to be relevant and are included below under the following headings: 1) Privatization (Assessment and Impact of); 2) Child Welfare Management; 3) Contracting; 4) Quality Assurance/Monitoring; and 5) Collaboration.

Privatization (Assessment and Impact of)


Using archival research, interviews, and observations, this dissertation explores the dynamics of privatization resulting from the deinstitutionalization of Massachusetts’ juvenile reformatories (called training schools) in the early 1970’s. Known as the Massachusetts Experiment, this reform affected the transformation of a state-operated system of large institutions for juvenile delinquents into a system of residential and non-residential community-based placements run mainly by private, non-profit organizations. The research found that non-profit organizations behaved in entrepreneurial ways, expanding their services beyond both juvenile justice and Massachusetts and that there was involvement of private mental health organizations in the juvenile services market. However, the entrepreneurial behavior of the providers did not produce strong evidence of competitiveness in the juvenile services market, one of the advantages that reformers attributed to privatization.


In this study the authors look at economic and social efficiency when the privatization of public services is being considered. In particular, the economic and social impact of the potential privatization of a local utility (Churchill County Communications) is researched. A web-based questionnaire was employed to collect data from CC Communication’s employees. Using an augmented input-output model of Churchill County, the analysis showed that privatization would reduce Churchill County employment by 279 jobs and reduce county household income by $36,171 million. In addition, the county could lose up to 14, 735 hours of volunteer time and $85, 233 in charitable donations if CC Communications were privatized.

Privatization of child protection has been generating significant interest and debate in Texas with the Legislature passing Senate Bill 6 in 2005, mandating the privatization of all case management and all state foster care and adoption services by 2011 and the 2007 Senate Bill 758, which dropped Senate Bill 6 and converted the plan to privatize case management into a pilot program. In this report CPPP analyzes the different outcomes and risks associated with privatizing CPS case management, which is a primary function of government, and privatizing the delivery of services, a secondary function. Looking particularly at the experiences of Kansas, Florida, and Texas, CPPP recommends maintaining case management as a public function, limiting the role of private providers to the delivery of services to children and families, and exploring greater use of performance-based incentives when contracting for these services. While they support expanding the use of private providers in the provision of foster care and adoption services, they recommend that states move slowly with adequate budgets. (See The Texas Alliance for Children and Family Services response to this report.)


This article discusses the motivation and empirical foundation for the creation of the Quality Improvement Center (QIC), provides the purpose and approach being taken, and describes its knowledge development initiatives. Additionally, a brief contextual history of child welfare privatization is provided along with key findings from a recently completed needs assessment that was conducted across 12 states.


The focus of this article is the summary of regional forums held within 12 states with public agency administrators, private providers, and community stakeholders regarding assessment of site readiness for privatization and issues around planning implementation of privatized models. Combined responses are included from nine role-specific and 18 mixed focus groups, in addition to two large group “most important themes” discussions. Numerous commonly shared themes emerged including: creating a shared vision for change among a range of key stakeholders, the necessity of initial and ongoing leadership to sustain efforts, challenges in establishing performance standards, and the importance of building trust and communication between partners.


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Divided into two parts, this book examines the concept of privatization and explores what is meant by the term and what, as a service delivery mechanism, privatization purports to do. The first part also reviews privatization in the social service context and in relation to child welfare specifically. The second part uses a case study approach to look at six different jurisdictions that have developed privatization initiatives. The writers conclude that while privatization is a tool that can be useful in certain environments to enhance service, governments should not simply transfer to private agencies the constraints that have characterized public agencies' service provision to poor children and families.


Both Florida and Texas child welfare systems function heavily off of legislative mandates. In 1996, the Florida legislature mandated four pilot programs that privatized child welfare services through contracts with community-based agencies (McCullough and Associates). Since then Florida has privatized the entire state through 22 regionally defined lead agencies. Their role as a lead agency is to provide and/or sub contract all services related to maintaining children referred to them by the state or private investigators. In a similar fashion, Texas has pushed towards privatization with Senate Bill 6 which requires that all functions of foster care, adoption, and case management be moved to the private sector, with TDFPS (Texas Department of Family Protective Services) focusing only on abuse investigations. This thesis compares the Florida and Texas privatization story and through interviews with leading experts decides whether or not privatization is doomed to failure before it is initiated.


This article highlights the organizational and implementation aspects of the first year of Maryland's five-year project that is examining and evaluating the implementation of a managed care system of child welfare in comparison with the state child welfare system.


The purpose of this technical assistance paper is to help child welfare administrators think through key issues about transitioning to a privatized systems of service delivery. Drawing on telephone discussions with state child welfare administrators, regional forums with public and private agency staff and community stakeholders, literature reviews, and follow up interviews and correspondence, the paper is organized around 12 overarching questions that administrators need to
ask themselves when assessing the readiness of their site including why they are privatizing services and whether or not privatization is the best approach to meeting their agency goals. The authors summarize that many states and communities have strong privatization initiatives that continue to move forward. However, some have pulled back from these efforts, due to poor performance on expected outcomes.


The third in a series of topical papers on the privatization of child welfare services this paper focuses on when case management functions are transitioned from public to private agencies as well as on how roles and responsibilities are shared and divided once privatization occurs. The authors emphasize that decisions to expand the use of contracted case management services or even to restructure existing contracts involves choices of programs, payment and administrative models, decisions about roles and authority of public and private agency workers, and contract monitoring systems.


Since the Texas Legislature is considering privatization of CPS case management, this policy brief analyzes privatizing case management and recommends that before the state privatizes management, it conduct a pilot program to test its efficacy. Texas has 25,000 children in its legal custody, and the future children under Texas care deserve a cautious transition.


This policy brief argues that the 79th Texas Legislature may make CPS worse for children and families unless the Senate’s prudent plan to pilot private case management is chosen over the House’s plan of implementation with little time for transition and too little funding. This argument is based on CPS performance in Texas compared to three states that have made the greatest use of privatization.


This paper, the second in a series of six technical assistance papers, describes variations and similarities in program and fiscal design elements of current privatization initiatives. It begins with brief discussions about key program design elements and then more fully describes contract payment models and mechanisms, highlighting challenges and promising strategies. The authors stress the need to consider each program and fiscal design element in conjunction with others.

This study examines the extent that equity in a policy delivery system affects the performance of that system during its implementation stage in Pennsylvania’s child welfare system. Equity is operationalized as the degree of decentralization in a service delivery system. Decentralization is defined as the extent of privatization in the form of purchase of service contracts in service delivery system and the level of unreimbursed local funds generated by jurisdiction. The principal question in this study is the extent to which differences in decentralization affect the performance of the child welfare system. Findings show that low and moderate levels of decentralization as reflected by privatization and unreimbursed local revenues are the design combination with the most successful performance. The second group of findings is that, given specific levels of decentralization, counties in class sizes 7 and 8 perform better than their counterparts. The better performance in this study emanates from systems that incorporate both privatized and direct forms of delivery.


This paper looks at the process of cartelization which the author describes as large corporate providers in the residential and nursing care sector continuing to increase their share of the market through a continual process of mergers, takeovers, and acquisitions. Examined in the context of the UK’s New Labour’s public sector modernization agenda, the author raises questions of whether continued cartelization is more or less likely to help them achieve certain aims of modernization. For example, New Labour often talks of putting people in the driving seat of public services; however, the author argues that cartelization diminishes key principles such as consumer choice and user involvement.


This paper, the fourth in a series of six topical papers on the privatization of child welfare services, addresses the topic of evaluating privatization initiatives including highlighting the key features of program evaluation and describing the tasks that program managers can perform to ensure a successful and effective evaluation. Additionally, the authors provide a brief discussion about the value of cost-effectiveness analysis and the kinds of information that cost analyses can generate.


This article reports on a qualitative, longitudinal, interview-based investigation of program changes and their relation to policy changes in a two-city sample of what are called faith-related agencies. It finds that faith-related agencies mildly contribute to increased variety of service delivery styles in the examined cities, but that they rarely expand services significantly to meet increased need or otherwise provide dramatically unique service content. Thus, the likely role of religion in reforming social service systems is questioned.

Responding to the Center for Public Policy Priorities (CPPP) 2008 report, Drawing the Line between Public and Private Agency Responsibilities in Child Welfare: The Texas Debate, The Texas Alliance of Child and Family Services, a business association of residential care providers, with the help of independent experts and researchers in the field who have no vested interest in the end result of the Texas Privatization debate, write that CPPP’s conclusions regarding the privatization of child welfare services appear to be extreme, do not mesh fully with the latest research including accurately reporting other states’ experiences, and are destructive to the public-private partnership so critical to the Texas system. A reply from CPPP was published on January 2, 2009.


This is a final article in a series on the Children's Bureau's Quality Improvement Centers. It describes the purpose of the QIC PCW and its knowledge development initiatives.

**Child Welfare Management**


This article offers a critical political history of management reformism. In particular, it looks at the two divergent paths reform has taken. One, utilizing the familiar public bureaucratic model that controls through hierarchal command structures and standardization and the other, utilizing decentralization and privatization, including incentive structures associated with market or quasi-market institutions. It considers the dynamics of bureaucratic discretion and reform not only as a problem of public management but as part of the contested politics of social policy making.


This study addresses the impact of the external environmental context of individual organizations on their internal structures and service configurations, as they attempted to adapt to a changing political economy, via an examination of a portion of the Georgia child welfare system’s response to the introduction of managed care. A survey instrument was administered to assess Chief Executive Officers’ and managers’ perceptions of the influence of external, political and economic, institutional, and network influences on their organizations’ decisions to adopt managed care principles. Regression analyses on the index scores for these four variables provided limited support for political economy theory and network theory as significant predictors for the adoption of managed care principles.

This paper introduces three models of managerial experimentation, each of which seeks to improve organizational performance through trial-and-error experimentation and continuous evaluation. Attention is paid to the role of the child welfare manager in trial-and-error program improvement processes and to the conditions under which managers are allowed to adapt, combine, and discontinue programs in response to changing agency conditions and client information. The implications of managerial experimentation and the rising focus on child welfare agency organizational performance for the development of child welfare programming that is both evidence-based and culturally-responsive are also discussed.


Using agency and stewardship theories, this study examines how public administrators manage contracting relationships with nonprofit organizations. Interviews were conducted with public and non-profit managers involved in social service contract relationships at the state and county level in New York State. The use of trust, reputation, and monitoring as well as other factors influence the manner in which contract relationships are managed. The findings suggest that the manner in which nonprofits are managed evolves over time from a principal-agent to a principal-steward relationship but with less variance than the theories would suggest. Also documented are the complex challenges for public managers responsible for managing contract relationships.


This article identifies several policy issues raised by privatized child welfare systems within federal child welfare programs, and describes two federal efforts to understand state and local child welfare privatization initiatives. These efforts are intended to provide information to those who may be considering privatization as path to child welfare systems reform.

**Contracting**


This article examines the relationship between the public agencies and contract providers from the perspective of the latter. Administrators of all provider agencies holding contracts with a Midwestern state’s child welfare agency were asked about their experiences with and perceptions of the state agency. Respondents were particularly satisfied with their primary contact person from the state agency. Respondents from smaller agencies and from agencies serving more minority clients, however, reported significantly lower satisfaction on some measures. Problems cited by contract providers centered on the frequency and quality of their interactions with the state agency and the timeliness of their payments. Consistent with these findings, interaction quality and timeliness of payments emerged as the most important predictors of contract providers’ willingness to continue their relationship with the state agency.

This article describes the purpose and preliminary data collected by the QIC PCW regarding the nature of public/private partnership in child welfare. It also outlines a multi-site research initiative testing the impact of innovative performance-based contracting and quality assurance systems on organizational and client outcomes in three states including Illinois, Florida, and Missouri.


This article describes the first six months of the Florida QIC-PCW demonstration project between the Florida Department of Children and Families (DCF) and Kids Central, Inc., a private agency contracting with DCF to provide child welfare services. The goal of this project was to demonstrate how to create a vision of service and performance expectations shared by DCF and contracted agencies, utilizing performance-based contracting and financial incentives. Preliminary results indicate that case-management agencies are ready to incorporate performance-based outcomes and to establish front-line practice strategies.


This paper explores how the delivery of social services to waiting children and prospective adoptive families influences adoption creation. Cross-section time-series estimates are supplemented with a new augmented fixed effects procedure to demonstrate that the use of contracts with private agencies bolsters adoption creation. Contracts for recruitment and orientation of prospective adoptive parents are particularly effective.


The authors examine social welfare service contracts explicitly as networks and assess the effects of network instability on the management of contracts, contract effectiveness, the performance of network organizations, and clients. They offer observable patterns and detailed examples that indicate that instability imposes significant costs on service delivery networks—costs that impair organizational and network performance and divert resources from services for vulnerable clients. The high costs associated with instability undermine arguments for more market-based service delivery.


This article discusses the history of performance-based contracting in Illinois; lessons learned from foster-case management contracting; the challenges in expanding this initiative to residential,
independent living, and transitional living programs; the planning and implementation process used; and the proposed evaluation design.


This article looks at the performance-based contracting activities of selected state human service agencies, the approaches being used and the results being achieved. The author concludes that performance-based contracting for human services does appear to be accomplishing its objective: changing the behavior of contractors to focus more on performance.


This article presents a proposed model of performance-based contracting for human services. The model uses an expanded systems framework as an organizing theme, is based on the actual practices of a small purposeful sample of state human service agencies, and includes contractor financial risk and contractor data needs components. As prologue, a brief history of contracting for human services is presented. The historical review demonstrates that the current interest with performance-based contracting is the result of evolutionary changes in the accountability in human service contracting that have occurred over the past 25 years.


This study describes the obstacles that nonprofit agencies encountered and the adaptations they made, as they moved from a traditional reimbursement system to a performance-based, managed care contracting environment in the delivery of foster care services. Based on the analyses of telephone interviews with administrators and supervisors across nine nonprofit child welfare agencies, this study suggests that agencies’ service delivery patterns, interdepartmental activities, and interorganizational relationships were substantially affected by the transition to this new contracting arrangement. These findings and their implications are discussed.


This study reports findings from a longitudinal study of 243 foster children and their families that examined the effects of a performance-based, managed care contracting on foster care outcomes. Multivariate analyses identified market-based disparities in some of the outcomes experienced by foster children: controlling for child, family, and caseworker characteristics, children served by agencies with performance-based, managed care contracts were less likely to be reunified and more likely to enter kinship foster homes, when compared to children served by agencies reimbursed through fee-for-service contracts. These results suggest that state child welfare systems ensure that foster care placement decisions are influenced more by child and family needs than by financial considerations. In addition, they suggest that managed care and performance-base contracts should include specific financial incentives for family reunification.

This paper provides the first estimates of distributive inequities in foster care service provision both within and across contracting environments, and introduces questions of equity and fairness in how child welfare agencies organize services to foster children and families in market-based contracting environments. The findings come from a longitudinal natural experiment that examined the effects of a performance-based, managed care contracting mechanism on service provision to 243 foster children and families served by nine non-profit agencies.


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This article examines the effectiveness of contract accountability in social service contracts. The analysis is based on five case studies of Kansas contracts for selected welfare, Medicaid, and foster care and adoption services. Results indicate the state has achieved moderate to high levels of accountability effectiveness especially in terms of specifying social service contracts and selecting appropriate accountability strategies. However, accountability is undermined by the use of risk shifting, reliance on a system of multiple competing providers, and the adoption of new information technologies.


In this article, the author examines the distribution of casework between a department of human services and five private foster care providers in the United States. Results indicate that private contractors specialized in long-term foster care candidates, while the public sector disproportionately received cases involving serious parent behavior. These findings imply collaboration: to protect clients yet preserve contract relations, administrators allocated cases to accommodate the perceived strengths and weaknesses of private agencies.
Quality Assurance/Monitoring


This article identifies barriers that prevent contracted providers from using service monitoring tools properly. Seven case studies were conducted on early childhood programs in three communities in upstate New York. The case studies specifically focused on the reporting forms that the early childhood programs completed. Data sources included (1) interviews with government agency and contracted provider employees, (b) content analysis of key documents relating to the service monitoring tools, and (c) attendance at meetings between government agencies and contracted providers on the service monitoring tools. Lack of contracted provider ability and misunderstandings between government and contracted providers were found to be key barriers to proper tool use. There was also evidence suggesting a link between the overall strength of technical assistance systems and understanding problems.


This paper, the sixth and final paper in a technical assistance series, was written for the purpose of assisting public agency child welfare administrators to better monitor and assure quality of contracted services. This paper explains the importance of planning contract monitoring and accountability systems and training staff to be effective contract monitors and describes the types of monitoring activities, as well as methods for collecting and using monitoring information. Additionally, the paper provides some examples of how child welfare agencies have worked collaboratively with providers to develop realistic and constructive approaches to contract monitoring.


Stein, a research professor in the Social Policy Research Unit at the University of New York, brings together authoritative research to explore critical concerns for those working with vulnerable children, young people and their families. Subjects covered include reunification, stability and wellbeing, kinship care, educating vulnerable young people, child protection, domestic violence and parental substance misuse, the participation of disabled young people and advocacy services. The author also discusses key issues for policy and practice in the development of quality services in child welfare including identifying and sustaining quality through involving stakeholders, integrated working
and quality services, the development of policies, procedures and organizational processes and carrying out quality assessments, training and workforce reform.


This paper describes the continuous quality improvement process (CQI) as it might be applied to child welfare systems, including: 1) a set of core or mission-critical outcomes; 2) a statement of performance or a baseline; 3) setting goals and deciding on a theory of change; and, 4) monitoring and feedback.

**Collaboration**


In Britain, a new relationship between local authorities and independent fostering agencies or providers (IFPs) entering into service level or contractual agreements has emerged where each sector attempts to plan and match its respective needs and services and to predict and control costs. This paper explores how some local authority and IFP managers have developed working arrangements with one another in order to achieve this position and suggests a framework for collaboration.


This article presents results from a study of a unique partnership between two state child welfare agencies and a private child welfare agency aimed at reunifying families whose children have been removed in placed in foster care. Data was obtained from 41 key informants using a questionnaire and a structured interview. Findings support earlier studies of collaboration, and indicate the strengths of this partnership and factors that facilitated and hindered it.


This article provides a conceptual overview of The Missouri Project on Privatization of Out-of-Home Care for Children which builds on the past public-private collaborations in Missouri. The article discusses earlier research on the initiation of performance-based contracting and presents the rationale for the current project, which examines both process needs of public-private partnerships for successful maintenance, including the renegotiation of performance-based contracts for out-of-home care, and the case-outcome results of the privatized service delivery.