



# Does Privatization Matter?

## An Exploration of Foster Care Permanency Outcomes

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# Child Welfare Goals: What We Know

- Safety
  - The primary goal is to try to assure a child is safe within their family
  - When this is not possible a child may be placed into foster care
- Permanency After Placement
  - Re-unification is the primary goal
    - Adoption is the next best thing
    - Time to permanency matters
- Stability
  - More placements are disruptive to children – generally 3+ is considered a negative outcome
    - 15% nationally
    - 30+ % for children in care 12 months or more
  - Coming back into care after exit is also disruptive
  - Relative placements tend to be more stable

# A Focus on Foster Care

- There are 427,910 children in Foster Care<sup>1</sup>
- Challenges: Structure of Child Welfare System
  - Collection of multiple smaller systems
  - Vary by state, county and judge
  - We don't know how child and family outcomes vary by most of these structural differences

<sup>1</sup>AFCARS (2017)

# Privatization: What We Know

- The motivation to privatize was a belief that this would result in more effective and less costly services
- Started in the 1990's, became more widespread in 2000's
- Many states now contract for at least some services
- Type of contract varies
  - Fee for Service
  - Performance-Based Contracts that provide money according to goals to be achieved

# Research Aims: Aim 1

Do youth receiving private foster care case management experience differential permanency & stability outcomes when compared to youth receiving public foster care case management?

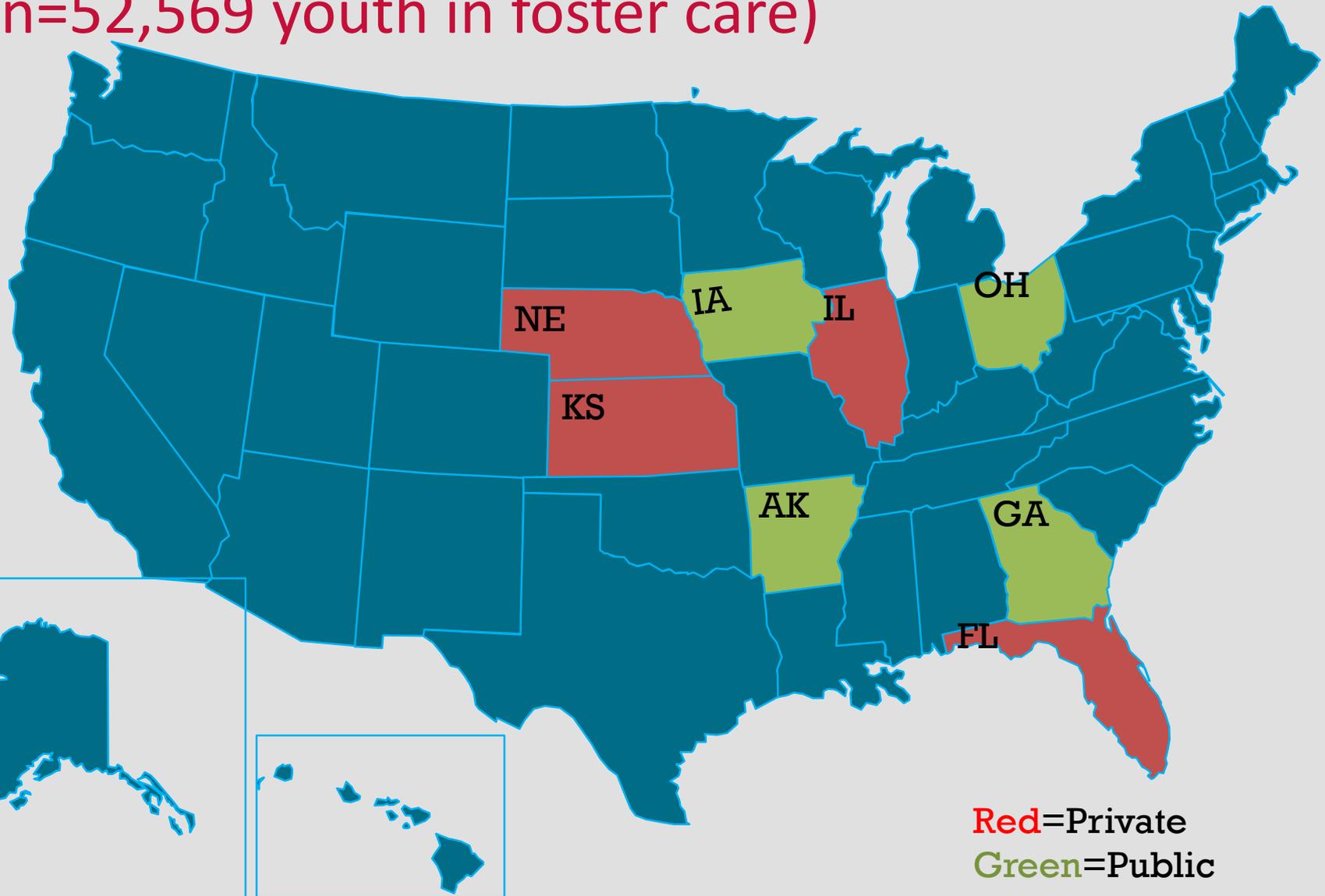
- time in care prior to exit
- type of permanency achieved
- stability of that exit (do they return to care)
- Do these differences vary by county and state?

# Data Sources

- CFSRs from all 50 states
- Review of State Child Welfare websites of Identified Privatized Foster Care Case Management States
  - Determine how many children served by private foster care case management services
- Adoption and Foster Care Analysis and Reporting System (AFCARS)
  - Foster File 2008-2014
  - Private States matched with public states using rough matching (sociodemographic factors)

# Study Sample: Aim 1

(n=52,569 youth in foster care)



# Methods: Analysis Plan

AIM 1: Multi-level models to assess county and state effects

- Two-level
  - Individuals nested in counties
  - Individuals nested in states
- Three-level
  - Individuals nested in counties nested in states
- Matching of Private and Public States

Analysis run in SAS 9.4 (PROC Mixed and PROC GLIMMIX)

# Methods: Analysis Plan, Aim 1

- Outcomes of Interest
  - Time to permanency (days in care)
  - Type of exit (categorical)
    - Adoption
    - Reunification
    - Guardianship
    - Living with A Relative
    - Agency Transfer
    - Runaway
    - No Exit
    - Child Death
  - Re-entry after exit from this spell (dichotomous: Yes/No)

# Variables of Interest: Aim 1

- Age at Entry (years)
- Gender (Male/female)
- Race/Ethnicity (dummy variables for each reported)
- Mental health diagnosis (Yes/No)
- Physical disability (Yes/No)
- Physical health issue (Yes/No)

## **Foster Care Characteristics**

- Removal reason (categorical)
- Number of Placements (count)
- Number of Removals prior to 2008 entry (count)
- Case goal as of 2008 (categorical)
- Private foster care case management (Yes/No)

# Aim 1: Bivariate Analysis: Key Differences

( $p < .0001$ )

	Private States N(%)	Public States N(%)
<b>Child has Disability (Yes)</b>	3127(10.73)	1577(6.36)
<b>Case Goal</b>		
Adoption	2369(8.51)	704(3.12)
Guardianship	1578(5.67)	54(.24)
Not established	2395(8.61)	4419(19.60)
<b>Placement Type</b>		
Relative FH	12192(43.30)	5081(20.67)
Non relative	9721(34.53)	12508(50.88)
Institution	1735(6.16)	2335(9.50)
<b>Exit Reason</b>		
Remain in Care	16449(60.29)	9070(36.84)
Live w/relative	306(1.12)	3491(14.18)

# Aim 1: Time to Exit (Red Denotes Significance)

Fixed Effects	2 Level (State) Model		
	Estimate	SE	t ratio
Time to Permanency (Intercept)	-2.11	78.33	-.03
Age (years)	<b>-11.05</b>	<b>1.21</b>	<b>-9.23</b>
Race (Ref=Unknown)			
African-American	<b>77.01</b>	<b>17.99</b>	<b>4.28</b>
Hispanic	<b>20.13</b>	<b>9.13</b>	<b>2.20</b>
Diagnosed Disability	<b>67.72</b>	<b>23.84</b>	<b>2.84</b>
Removal Reason (Ref=Other)			
Neglect	<b>30.54</b>	<b>13.28</b>	<b>2.30</b>
Sexual Abuse	<b>54.38</b>	<b>19.10</b>	<b>2.85</b>
Placement Type (Ref=Trial Home Visit)			
Pre-adoptive	<b>146.73</b>	<b>63.80</b>	<b>2.30</b>
Foster-relative	<b>250.93</b>	<b>55.72</b>	<b>4.50</b>
Foster-nonrelative	<b>324.14</b>	<b>55.57</b>	<b>5.83</b>
Group home	<b>270.12</b>	<b>56.92</b>	<b>4.75</b>
Institution	<b>183.93</b>	<b>56.20</b>	<b>3.27</b>
Ind. Living	<b>203.38</b>	<b>74.17</b>	<b>2.74</b>
Runaway	106.03	60.00	1.77
# of Placements	<b>95.68</b>	<b>7.05</b>	<b>13.58</b>
Private Foster Care	<b>273.92</b>	<b>95.18</b>	<b>2.88</b>
# of Placement*Private FC	<b>-29.53</b>	<b>9.93</b>	<b>-2.97</b>
<b>Model Fit</b>	<b>AIC</b>	<b>BIC</b>	<b>ICC</b>
	650555.3	650555.6	.1509

## Take Home: Time to Permanency

- County level implementation matters when considering the impact of policy decisions
- So far, certain case characteristics previously established to be important to permanency outcomes remain important when looking at privatization...
  - e.g., Placement type, age at placement, race
- Newly identified case characteristics that impact permanency
  - Child with Identified Disability

# Aim 1: Exit Type, 2-Level State

Fixed Effects	Estimate	SE	t ratio(OR)
Intercept			
No Exit vs. Other	-.75	.50	-1.51
Reunification vs. Other	1.27	.50	<b>2.54</b>
Guardianship vs. Other	2.25	.50	<b>4.51</b>
Adoption vs. Other	3.20	.50	<b>6.40</b>
Age (years)	-.03	.002	<b>-16.28(.97)</b>
Race (Ref=Unknown)			
White	.27	.06	<b>4.32(1.3)</b>
African-American	.14	.06	<b>2.18(1.2)</b>
American Indian/Alaskan Native	.98	.16	<b>6.20(2.7)</b>
Multiracial	.21	.08	<b>2.54(1.2)</b>
Mental Health DX	.22	.08	<b>2.96(1.3)</b>
Diagnosed Disability	-.48	.07	<b>-6.37(.62)</b>
Other Medical DX	.52	.07	<b>6.95(1.7)</b>
Removal Reason-Physical Abuse	.21	.03	<b>7.35(1.2)</b>
Placement Type (Trial Home Visit=Ref)			
Pre-adoptive	-2.04	.11	<b>-17.90(12.3)</b>
Foster-relative	.47	.04	<b>11.60(11.1)</b>
Foster-nonrelative	.36	.04	<b>9.24(19.1)</b>
Group home	.91	.06	<b>14.77(10.8)</b>
Institution	.34	.05	<b>6.50(4.5)</b>
Ind. Living	-.53	.22	<b>-2.39(9.0)</b>
# of Placements	.04	.004	<b>8.84(1.0)</b>
Private Foster Care	.22	.70	.31(1.2)
<b>Model Fit</b>	<b>AIC</b>	<b>BIC</b>	<b>VPC</b>
	81082.18	81084.56	.2647

# What does this all mean? Some good news and bad news...

## Time vs Re-entry

- Exit to care in privatized systems appears to take more time (and money) but these systems also appear to yield long term benefits of stability in regard to youth not re-entering care.
  - Future work should consider assessing cost savings for increased time compared to the moderate effect on re-entry
  - The effect was also tempered by the youth in the study who never exited care and remained in foster care for 6+ years.
- Privatization of foster care case management is achieving some of the outcomes that are being incentivized in performance based contracts
  - Placement with families
  - Guardianship
- Many other factors at work to consider
  - Services
  - Parent characteristics

# Limitations

- Do not have person-level data regarding privatization
- Limited information on family and child risk factors
- Limited information about service receipt/delivery
- Don't have organizational level data
  - Organizational differences
  - Staffing differences

# Implications/Next Steps

- Policy

- Privatization efforts continue across the country

- Consideration should be given to:

- The impact to non-profit agencies

- » Bankruptcies in Nebraska and Kansas

- Transition period

- » Scaling up

- However in my sample only 1 state (Nebraska) was a new state

- Assessment and Evaluation

# Implications/Next Steps

- Research
  - Impact of incentives
    - Performance-based contracts vs. fee-for-service
    - Hybrid states vs. complete private vs. public states
  - Disaggregated data in AFCARS
    - Allow for better specified multi-level models
  - Service information about youth/families
  - Organization information about youth/families

# Implications/Next Steps

- Practice
  - The key takeaway for practitioners is the impact of physical and mental conditions on permanency outcomes.
    - Medical homes
    - Specialized case loads
    - Improve record-keeping regarding physical and mental health diagnoses
      - 14% missing on Diagnosed Disability

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# Aim 1: Time to Exit (Red Denotes Significance)

Fixed Effects	2 Level (County) Model		
	Estimate	SE	t ratio
Time to Permanency (Intercept)	-40.1745	52.4154	.77
Age (years)	-9.91	.89	-11.09
Race (Ref=Unknown)			
Multiracial	-53.10	16.77	-3.17
Diagnosed Disability	118.51	30.79	3.85
Removal Reason (Ref=Other)			
Physical Abuse	-8.67	4.03	22.78
Placement Type (Ref=Trials Home Visit)			
Pre-adoptive	233.97	62.01	3.77
Foster-relative	325.63	48.50	6.71
Foster-nonrelative	437.40	48.30	9.06
Group home	336.29	52.03	6.46
Institution	312.36	50.78	6.15
Ind. Living	214.10	80.16	3.92
Runaway	184.55	58.22	3.17
# of Placements	91.75	4.03	22.78
Private Foster Care	202.29	7.07	28.61
Interactions			
# of Placements*Private FC	-31.92	1.66	-19.17
Disability*Age	-7.69	1.91	-4.02
<b>Model Fit</b>	<b>AIC</b>	<b>BIC</b>	<b>ICC</b>
	655136.5	655191.2	.1920

# Aim 1: Time to Exit (Red Denotes Significance)

Fixed Effects	3 Level Model		
	Estimate	SE	t ratio
Time to Permanency (Intercept)	10.51	81.90	.13
Age (years)	<b>-11.15</b>	<b>.75</b>	<b>-14.79</b>
Race (Ref=Unknown)			
African-American	<b>66.46</b>	<b>17.01</b>	<b>3.91</b>
Multiracial	<b>64.91</b>	<b>20.62</b>	<b>3.15</b>
Diagnosed Disability	<b>59.62</b>	<b>21.41</b>	<b>2.78</b>
Removal Reason (REF=Other)			
Neglect	<b>29.94</b>	<b>13.85</b>	<b>2.16</b>
Sexual Abuse	<b>54.05</b>	<b>20.61</b>	<b>2.62</b>
Placement Type (REF=Trial Home Visit)			
Pre-adoptive	<b>163.39</b>	<b>65.89</b>	<b>2.48</b>
Foster-relative	<b>265.37</b>	<b>57.12</b>	<b>4.65</b>
Foster-nonrelative	<b>349.84</b>	<b>56.98</b>	<b>6.14</b>
Group home	<b>272.93</b>	<b>58.60</b>	<b>4.66</b>
Institution	<b>198.42</b>	<b>57.94</b>	<b>3.42</b>
Ind. Living	<b>218.71</b>	<b>75.69</b>	<b>2.89</b>
Runaway	<b>124.27</b>	<b>61.62</b>	<b>2.02</b>
# of Placements	<b>95.17</b>	<b>7.71</b>	<b>12.34</b>
Private Foster Care	<b>265.47</b>	<b>98.59</b>	<b>2.69</b>
# of Placements*Private FC	<b>-29.50</b>	<b>10.45</b>	<b>-2.82</b>
<b>Model Fit</b>	<b>AIC</b>	<b>BIC</b>	<b>ICC</b>
	64949.6	649498.8	.1688(2 Level)
			.0258(3 Level)

# Aim 1: Exit Type, 2-Level County

Fixed Effects	Estimate	SE	t ratio(OR)
Intercept			
No Exit vs. Other	-.38	.27	-1.38
Reunification vs. Other	1.22	.27	<b>4.49</b>
Guardianship vs. Other	2.10	2.27	<b>7.71</b>
Adoption vs. Other	2.99	.27	<b>10.94</b>
Age (years)	-.02	.002	<b>-10.77(.97)</b>
Race (Ref=Unknown)			
White	.15	.06	<b>2.57(1.2)</b>
American Indian/Alaskan Native	-.05	.06	<b>-.76(.96)</b>
Multiracial	-.20	.15	<b>-1.37(.82)</b>
Mental Health DX	.21	.07	<b>2.88(1.2)</b>
Diagnosed Disability	-.45	.07	<b>-6.40(.63)</b>
Other Medical DX	.65	.07	<b>9.16(1.9)</b>
Removal Reason-Neglect	-.24	.02	<b>-11.41(.79)</b>
Placement Type (Trial Home Visit=Ref)			
Pre-adoptive	-1.93	.10	<b>-19.20(10.9)</b>
Foster-relative	.45	.03	<b>13.39(9.7)</b>
Foster-nonrelative	.34	.03	<b>10.58(19.0)</b>
Group home	1.01	.06	<b>2.17(4.0)</b>
Institution	.10	.05	<b>2.17(4.0)</b>
Ind. Living	-.54	.23	<b>-2.32(7.5)</b>
Runaway	.08	.11	.74(6.9)
# of Placements	.07	.004	<b>15.13(1.1)</b>
Private Foster Care	-.08	.03	<b>-3.07(.92)</b>
<b>Model Fit</b>	<b>AIC</b>	<b>BIC</b>	<b>VPC</b>
	90753	90794	.8052