

DHS change will emphasize private oversight



Danieal Kelly in an undated family photo. She was starved to death at the age of 14. Her parents and workers from DHS and a contractor were indicted in the case.

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Danieal Kelly's starvation death in 2006 set off waves of change at the Philadelphia Department of Human Services.

The latest promises to reshape the agency like no other reform has, giving private groups more control over the cases of abused and neglected children.

DHS has unveiled a program called Improving Outcomes for Children that puts neighborhood-based contractors in charge of managing cases. The approach is found elsewhere around the country, but there are questions about whether the strategy can work.

It's unclear, for example, whether the new system would have prevented the latest high-profile child death - the starvation and beating death of 6-year-old Khalil Wimes in March. DHS workers saw Khalil in his last months while checking on his siblings, The Inquirer has reported. The agency has yet to release the findings of an internal investigation.

The new strategy was recommended by experts who reviewed Kelly's case and urged DHS to clarify roles and accountability.

Unable to care for herself because of cerebral palsy, Kelly, 14, wasted away in her parents' home as caseworkers from DHS and a private agency failed to detect her deteriorating condition. Her parents, and workers from DHS and the contractor, were criminally charged and convicted in her death.

The way the public agency manages cases - one DHS and one private caseworker for each case - is "dysfunctional," said Human Services Commissioner Anne Marie Ambrose. "Everyone can assume the other person will do it."

DHS recently announced the first two groups that will get contracts as "community umbrella agencies." Beginning in early 2013, NorthEast Treatment Centers will be paid about \$15 million, and Asociación

Puertorriqueños en Marcha will get about \$10 million, to manage abuse and neglect cases in parts of North Philadelphia.

Private groups have provided some services for DHS for about 15 years; the reorganization will make them the sole case managers for the 4,095 children in foster care and the 949 families receiving at-home help.

DHS staff will monitor contractors and organize and lead meetings that families, private caseworkers, and others must attend. The public agency will train the private groups, which also will provide services to children and families. DHS remains legally responsible for children in its system and for investigating abuse and neglect reports.

Shifting case management to neighborhood groups is the hot alternative approach that some cities and states are using, including three that DHS looked at: New York City, Florida, and Nebraska.

Public agencies hope that privatizing services will save money and improve services, said Debra Schilling Wolfe, executive director of the Field Center for Children's Policy, Practice, and Research at the University of Pennsylvania.

Studies have shown that a private, community-based approach can strengthen services. But save money?

"Community-based care, privatization, outsourcing, is not usually cheaper," said Mary I. Armstrong, a child and family studies associate professor at the University of South Florida who has evaluated Florida's program.

Private groups do have advantages, experts say.

They can reach families that don't trust public agencies because of previous interactions. Families are more likely to attend meetings that are nearer to home.

Results around the country are mixed.

"There isn't really one state you can go to and say, 'This is the way you should do it,'" Wolfe said.

One state that showed how not to do it is Nebraska. Its Department of Health and Human Services' community-based system, begun in 2009, was scrapped this year after buckling under a heap of high costs and low results.

A state auditor's report said that child-welfare costs "skyrocketed" by about 27 percent and that the department failed to publicly bid multimillion-dollar contracts and provided weak fiscal oversight.

"It was a huge error on the state's part - lack of a strategic plan, extremely poor monitoring, and a total lack of study into financial costs, and on and on," said State Sen. Kathy Campbell, chairwoman of the Health and Human Services Committee. "Many seasoned foster parents left what they described as a chaotic system."

Florida and New York City point to improved services.

New York's program began operating citywide in 2009, contracting out all foster care and preventive programming.

The program, similar to what Philadelphia is planning, requires contractors to meet with families and others at key moments, such as before deciding whether a child can return home, said Ronald E. Richter, New York City's children's services commissioner.

City workers lead meetings so the agency retains "a degree of oversight over decision-making," he said.

The program has resulted in fewer youngsters in foster care for less time. While that saves money, the agency could not say how much because of other changes.

Private groups can improve the system, but problems remain, said Michael Arsham, executive director of the Child Welfare Organizing Project in New York City, which advocates for families.

Children stay in foster care too long, and some private operators make decisions in their own interest, he said.

"Don't kid yourself for one minute that this isn't big business," he added. "One of the dangers of contracting out all of these services is that in effect, policy is driven by your contractors . . . rather than by the public agency that is accountable to the public." City officials disagree, saying the agency sets policies and holds all groups accountable.

Another issue is too few family-team meetings, Arsham said. Contractors say getting everyone together is a logistical nightmare.

In Florida, the legislature required the state Department of Children and Families in the mid-1990s to privatize services, a conversion completed in 2005.

Florida has seen a significant drop in children removed from their homes, one of the country's timeliest adoption rates, and fewer children returning to foster care.

Still, legislators and child-welfare advocates have criticized what they call the high salaries of some of the nonprofits' CEOs. The state jettisoned a \$65.5 million contract with one group this summer after nine children under its watch died in two years.

"We still have had horrific tragedies - but in a child welfare system, that's going to happen," department spokeswoman Erin Gillespie said.

In Philadelphia, planning took three years and involved 150 experts. The rollout over four years will allow changes as needed, Ambrose said.

DHS has \$25 million for the first two contracts, but is still calculating the program's full cost. Some of the money for future contracts is expected to come from fewer children in foster care. DHS - whose budget last fiscal year was \$630 million from federal, state, and local government - got foundation funding to create a financial-tracking system for this program.

"This wasn't a cost-savings move for us. This was really about making the structure of the system work more for kids and families and make the services more community-based," Ambrose said.

"We do plan on this being cost-neutral because there's no additional money to put into the system."

Ambrose expects to monitor contractors with a performance and accountability division she put in place soon after she became commissioner in 2008. And she's taking lessons from other places and pledging not to lay off DHS staff as a result of the new

program.

Those who work in child welfare warn that no single strategy can keep every youngster safe every day.

"We're all holding our breath a bit, I admit that. But we do that every day," said Frank Cervone, executive director of the Support Center for Child Advocates and one of the people who worked with DHS on the plan.

"We're often one step from success and a half a step from disaster."

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