



Fairfax-Falls Church Community Policy and Management Team

Institute for Family Centered Services, Inc. (IFCS)
Case Rate Program Report
Client Profiles, Treatment Outcomes, and Demonstrated Cost Savings
January 2003 – June 2006

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EXECUTIVE SUMMARY

The Institute for Family Centered Services, Inc. (IFCS) provides intensive in-home services to a high risk/difficult population of clients who are at imminent risk of an out-of-home placement, or who are returning home from a placement. IFCS has been a leader in providing community alternatives to out of home placements in Northern Virginia since 1990, offering a best practice model called *Family Centered Treatment*[™] that has proven outcomes.

The Fairfax-Falls Church Community Policy and Management Team made possible one of the first shared risk approaches to significantly reduce the short-term and long-term costs of placing youth out of the home. Since 2002, IFCS has been providing Family Centered Treatment under this unique arrangement. This *Case Rate Program* has the following benefits:

- It provides a fixed cost to the County for a complete package of services.
- IFCS is able to efficiently and effectively direct resources to any families in the program without delay.
- Treatment effectiveness; families are given the attention and intensity of services that are needed.
- Cost risks are shared between the County and IFCS.
- Cost efficiency; IFCS, families, and referral professionals are motivated by a clear limit of resources and time.

The following report documents the client profiles, treatment outcomes, and demonstrated cost savings for the 68 clients discharged under this program from January 2003 to June 2006. Highlights of the report include:

- **83%** of clients who completed treatment maintained their family placement, were reunified with their family, or were successfully transitioned into independent living.
- **79% to 94%** of families made positive progress toward primary presenting problems or treatment goals.
- Cost effectiveness analysis shows estimated *net savings of \$2.7m to \$11.5m*.
- Because siblings are included in treatment, an **additional 89 children and youth** received services at no additional cost to the County.

Experience in other states and localities on a larger scale has resulted in continued development of our Family Centered Treatment approach. The outcomes and cost savings of the Case Rate Program can be further improved. In particular cost savings can be substantial. By implementing a more consistent system for identifying and placing youth in this program, cost- and treatment effectiveness can be raised to new levels. Moreover, a cooperative venture to develop a research design for this program can result in improved performance and more powerful evidence to support the County's leadership in providing effective and cost efficient services.



Fairfax-Falls Church Community Policy and Management Team

Institute for Family Centered Services, Inc. (IFCS)

Case Rate Program Report

Client Profiles, Treatment Outcomes, and Demonstrated Cost Savings

January 2003 – June 2006

Introduction

The Institute for Family Centered Services, Inc. (IFCS) provides intensive in-home services to a high risk/difficult population of clients who are at imminent risk of an out-of-home placement, or who are returning home from a placement. IFCS has been a leader in providing community alternatives to out-of-home placements in Northern Virginia since 1990. Highlights of this leadership are as follows:

- IFCS was the first Family based agency to implement alternative services for youth at imminent risk of out of home placement
- IFCS was the only agency chosen to implement the CSA Trust Fund Grant for Fairfax County.
- IFCS was the first agency to offer pay-for-performance contracting and outcome reports related to CSA funding.
- IFCS provided the leadership and the system for Fairfax county to access Medicaid funding for intensive in-home services
- IFCS was the first family based agency to offer all inclusive fees for services.
- IFCS is the first and only agency to offer services with a capitated cost and evidence based outcomes.
- IFCS offers a best practice model called *Family Centered Treatment*[™] (FCT[™]) that has proven outcomes.

Since 2002, IFCS has been providing in-home services under a unique arrangement with the Fairfax-Falls Church Community Policy and Management team. This arrangement, the Case Rate Program, has the following benefits:

- It provides a fixed cost to the County for a complete package of services.
- IFCS is able to efficiently and effectively direct resources to any families in the program without delay.
- Families are given the attention and intensity of services that are needed.
- Cost risks are shared between the County and IFCS.
- IFCS, families, and referral professionals are motivated by a clear limit of resources.

The following report documents the client profiles (Figures 1–7), treatment outcomes (Figures 8–11), and demonstrated cost savings (Figures 12–13) for the 68 clients discharged under this

program from January 2003 to June 2006. An appendix contains the roster of clients, service dates, and number of workers assigned to each client.

Client Profiles

Discharged clients range in age from infancy to 18 years, with a mean age of 12.5 years. Fifty-two percent of clients are Caucasian, 59% are male, and 56% of clients were residing in a single-parent household. Five percent of clients were in an out-of-home placement at intake. Seventy-three percent of clients have a history of out-of-home placements and 65% have an Axis I diagnosis. The referring agencies identified Aggressive/Delinquent Behaviors, Abuse/Neglect, Anger Management, and Parent/Child Relationships as the most prevalent Primary Presenting Problems.

Treatment Outcomes

The average length of treatment over all clients was 7.96 months. Of all clients served, 83% Maintained their Family Placement, were Reunified with their Family, or were successfully transitioned into Independent Living. Three percent of clients were discharged before treatment was completed due to relocation or refusal of services.

Prior to calendar year 2005, IFCS documented each family's progress toward the primary presenting problem that was identified by the referring agency. For the 34 clients discharged prior to 2005, 79% experienced some positive progress toward their primary presenting problem, with 26% experiencing significant improvement defined as 80-100% goal attainment.

Beginning in 2005, IFCS began documenting progress toward treatment goals which are specified in the unique treatment plan for each family. IFCS believes this is a more informative and objective measure of success in FCT™. For the 34 clients discharged in January-June 2005, 94% of families experience positive progress toward at least some of their treatment goals, and 72% of families experience positive progress toward every treatment goal.

Cost Analysis

The total *direct cost* to the county of the Case Rate Program over the period January 2003 – June 2005 was approximately \$1,451,000 (total months of service for the 68 clients at the negotiated case rate). The *cost-effectiveness* of the program is demonstrated by considering the population served and the counterfactual, i.e., where the clients would have been placed had IFCS services not been available, as well as the IFCS success rate at maintaining home placements.

The Case Rate Program was developed for a high risk/difficult population at imminent risk of an out-of-home placement, typically in a Residential Treatment Center (RTC) or a Group Home. Assuming 100% placement of 66 clients in RTCs¹, an average length of stay of 473 days², and service fees of approximately \$430 per day³, counterfactual costs for this population would have been approximately **\$13,424,000** Assuming instead 100% placement in the lower-cost Group

¹ For purposes of comparison this analysis omits two clients who were placed in foster care, because of the difficulty of calculating expected foster care costs

² From CSA dataset for fourth quarter of Fiscal Year 2004, Average Project Length of Stay by Service Placement Type for all Children.

³ From CSA Service Fees Directory, <http://www.csa.state.va.us/sfd/defaultsfdf.cfm>. Conservatively assuming typical costs for residential services plus a lower bound daily tuition rate of \$80.

Home alternative, an average length of stay of 356 days⁴, and service fees of approximately \$199 per day⁵, counterfactual costs for this population would have been approximately **\$4,676,000**.

To see the cost-effectiveness of the Case Rate Program, compare the counterfactual costs above to the total of *direct* and *indirect* costs to the county after placing this population with IFCS, which account for the indirect costs of placement for the 7 clients who were placed out of home despite receiving FCT™.⁶ Total direct costs, plus the cost of 3 RTC placements (\$331,100), plus the cost of 4 Group Home Placements (\$146,265), yields total costs of **\$1,928,670**.⁷ Thus, the IFCS Case Rate Program provides an estimated *net savings of \$2.7m to \$11.5m*.

In addition, because the IFCS FCT™ model provides intensive in-home treatment to the entire family, the siblings of IFCS clients also receive the benefits of treatment. Therefore, an additional 89 children and youth received services from IFCS, at no additional cost to the contractor.

The above analysis makes a number of implicit assumptions by ignoring the long- and short-term success rates of RTCs and Group Homes, as well as the long-term success rate of IFCS services, and by ignoring the probability distributions of alternative placements and length of stay. IFCS would welcome the opportunity to collaborate on a more comprehensive cost analysis of intensive in-home services relative to alternative placements.

The Institute is a national leader in providing community based alternatives for youth would normally be placed in high cost placements. We are currently operating RTC diversion programs in other states which are demonstrating ever higher levels of cost and treatment effectiveness. The lessons learned during the four years that the Fairfax program has been in effect and the experience IFCS has gained with this cost-containing approach in other localities has helped us to evolve this treatment option. By implementing a more consistent system for identifying and placing youth in this program, cost- and treatment effectiveness can be raised to new levels. Moreover, a cooperative venture to develop a research design for this program can result in improved performance and more powerful evidence to support the County's leadership in providing effective and cost efficient services

⁴ *Supra* footnote 1.

⁵ From CSA Service Fees Directory, <http://www.csa.state.va.us/sfd/default.sfd.cfm>. Conservatively assuming typical costs for non-therapeutic services and a lower bound room and board rate of \$80.

⁶ One client was placed in a psychiatric hospital upon initial assessment, and is not included here.

⁷ Since it is reasonable to expect that these clients experience some improvement from IFCS treatment that will result in placements of below average duration, we assume length of stay in the residential placements is reduced by length of IFCS treatment.

Age Distribution

Average Age 11.96

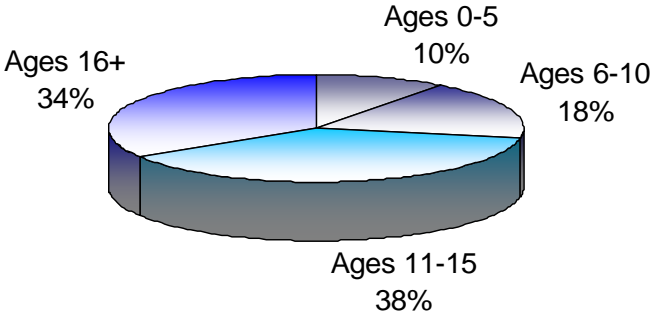


Figure 1

Race Distribution

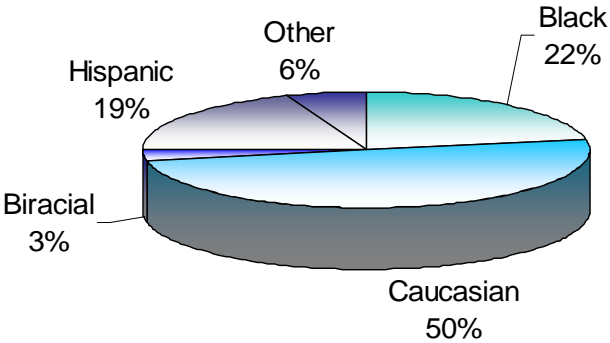


Figure 2

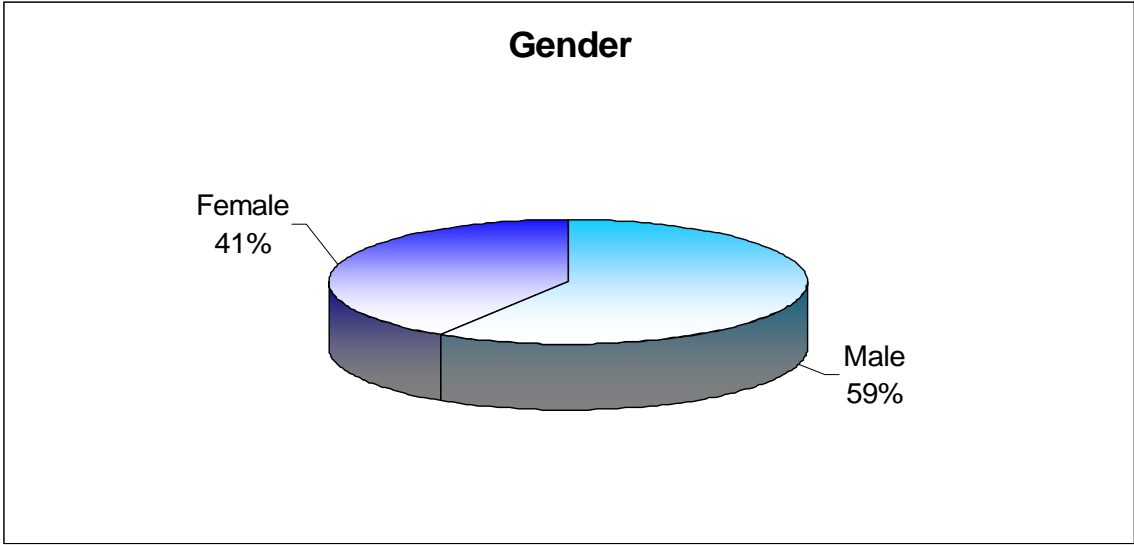


Figure 3

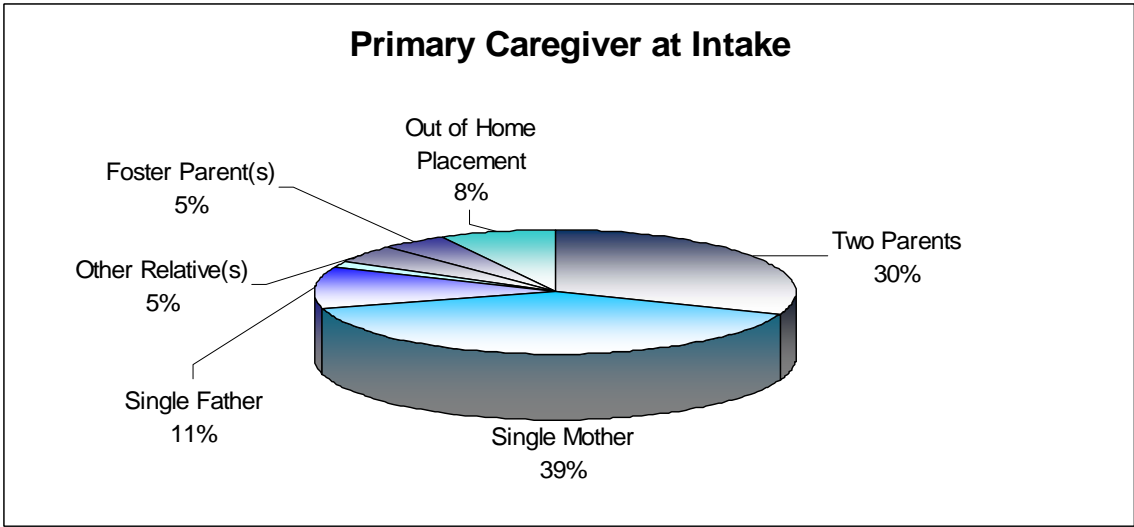


Figure 4

**Clients with History of
Out of Home Placement**

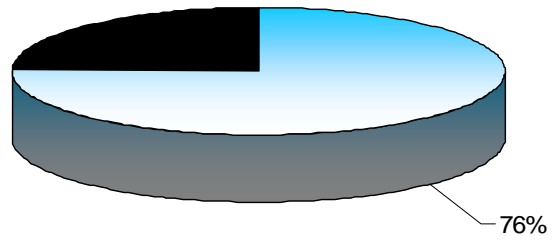


Figure 5

Clients with Axis I Diagnosis

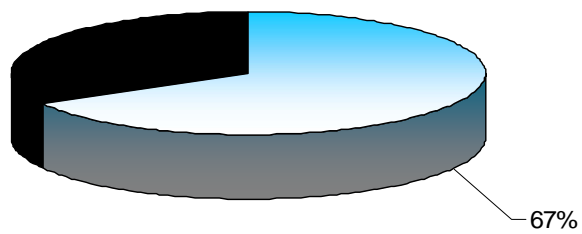


Figure 6

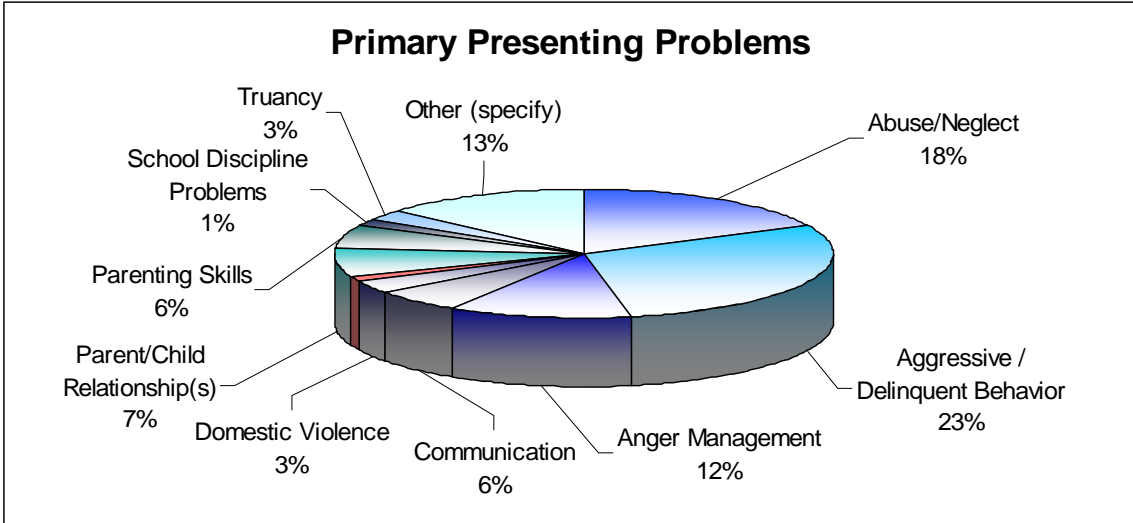


Figure 7

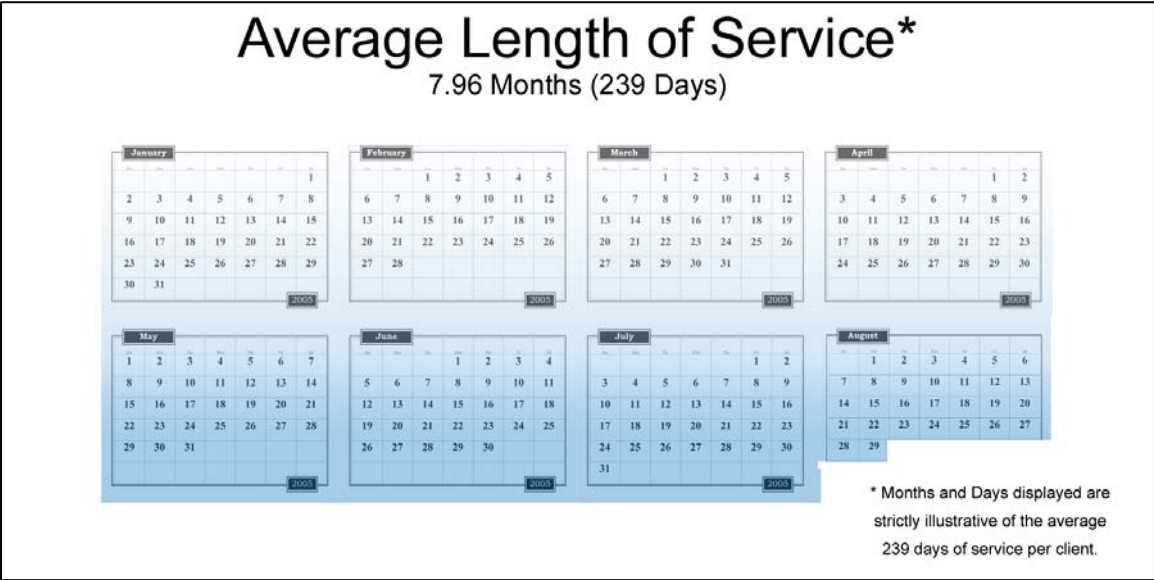


Figure 8

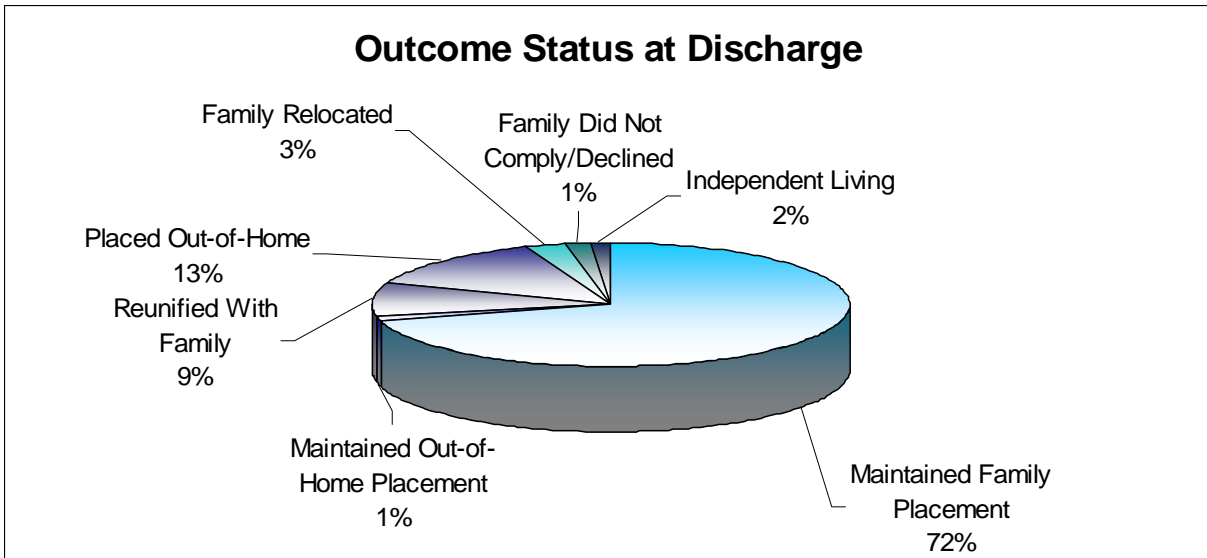


Figure 9

83% of clients remain with their family or successfully transition to independent living.

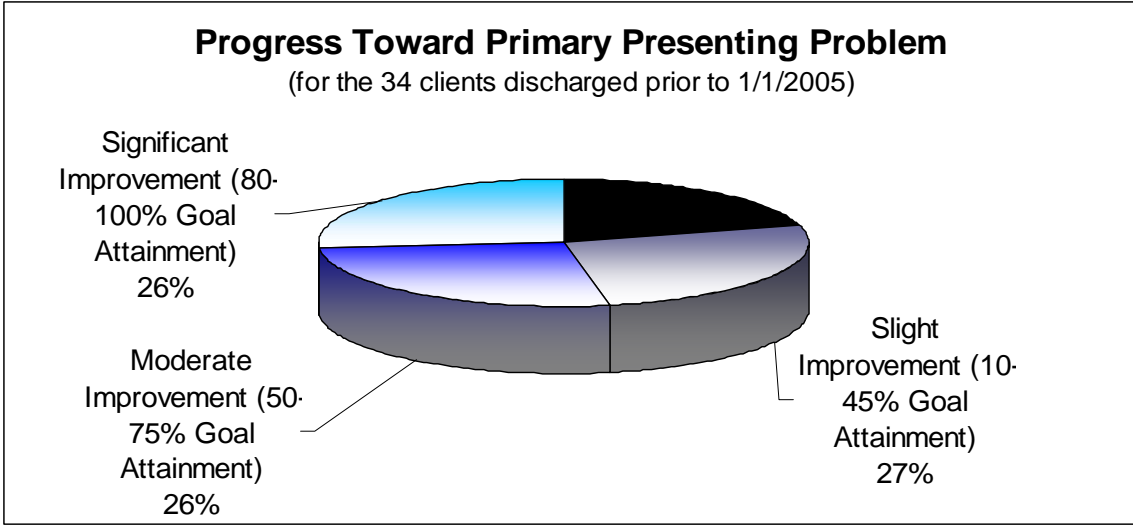


Figure 10

79% of families made positive progress toward primary presenting problems.

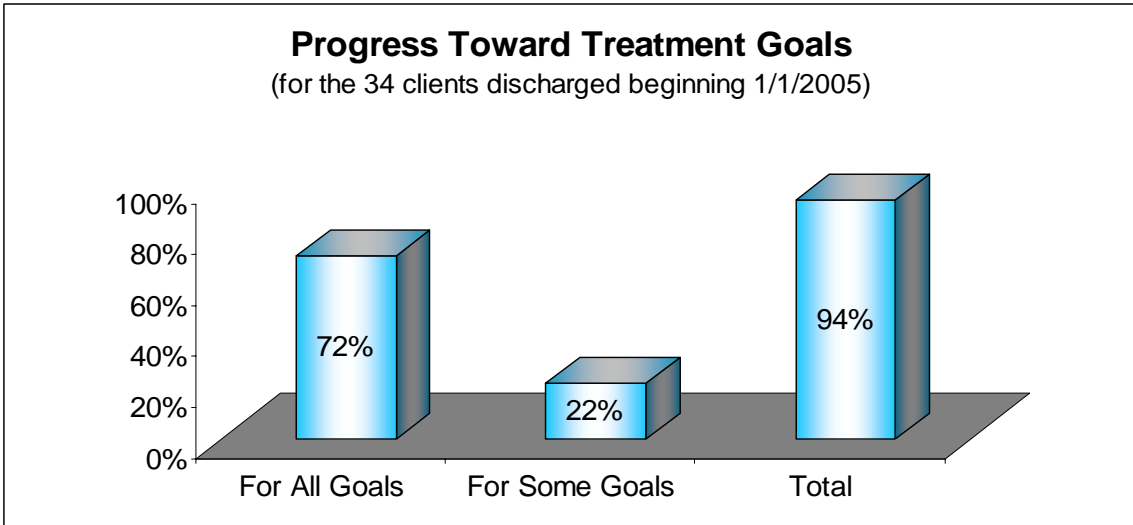
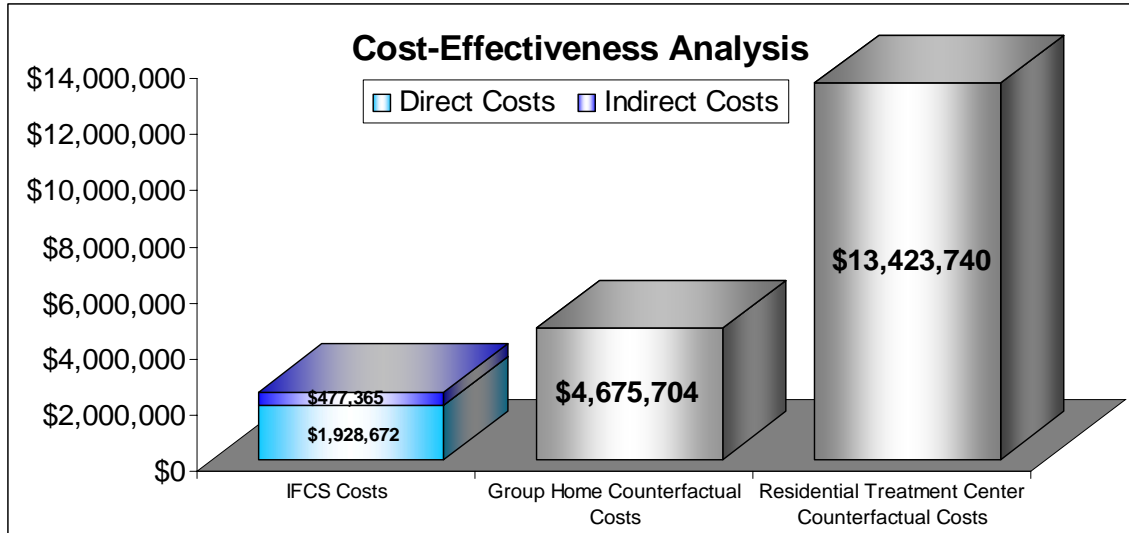


Figure 11

94% of families made progress toward their treatment goals.



* See text for explanation of cost

Figure 12:

Demonstrating a Net Savings of \$2,693,000 to \$11,495,000.

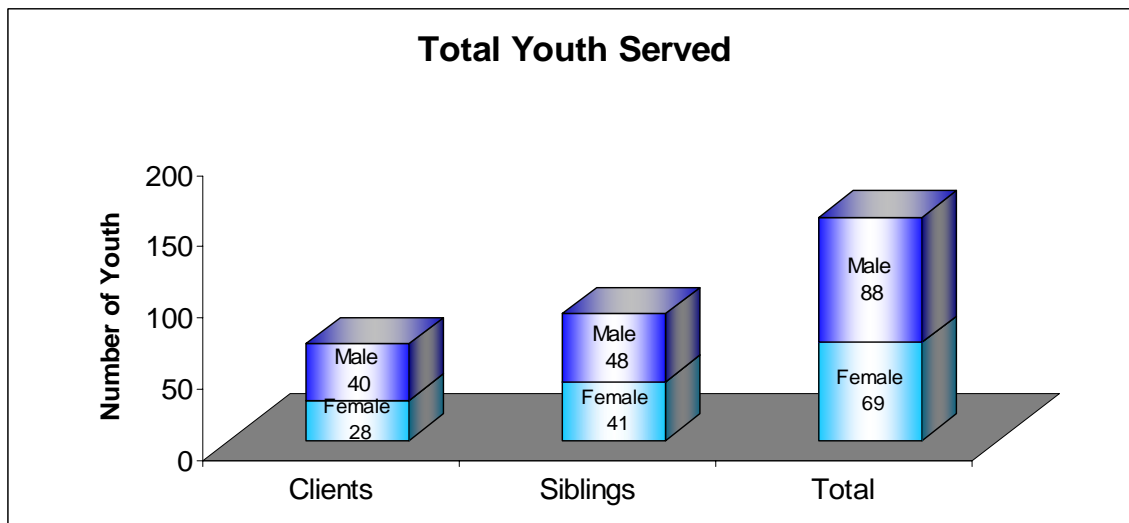


Figure 13

A total of 157 children and youth receive IFCS services for the cost of treating 68 clients.