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Colorado Title IV-E Waiver Application

1. INTRODUCTION AND OVERVIEW

“Keeping Kids Safe and Families Healthy”, the Child Welfare Services Master Plan unveiled by Governor John Hickenlooper on February 16, 2012, is the foundation upon which the IV-E Waiver will be built. Colorado's plan is an integrated and powerful vision to improve the experiences of children coming into the state's child welfare system. Our demonstration project will provide the flexibility and focus necessary for the 64 counties of Colorado to provide the right support in the right amount at the right time for children and their families. The project is an essential impetus to integrate current systemic reform efforts with new, innovative practices, thereby not only improving the quality of Colorado child welfare practice but also advancing the knowledge of the child welfare field nationally. The new approaches supported by the waiver will boost the state-county collaborative pursuit of better outcomes for Colorado children, youth and families.

The Colorado Department of Human Services (CDHS) proposes to focus its Title IV-E waiver on the three federal goals: to increase permanency for children, to increase positive outcomes for children and families, and to prevent child abuse and neglect and re-entry to out-of-home care. To achieve these goals, CDHS will bring together four major initiatives now in planning or early implementation stages:

- The Colorado Practice Model
- Permanency by Design
- Differential Response
- The Trauma-Informed System of Care, which integrates child welfare and behavioral health services.

With funding flexibility under the waiver, these initiatives will create the foundation for advancing six specific waiver interventions: family engagement, trauma-informed child assessment, trauma-focused behavioral health treatment, permanency roundtables, kinship supports, and market segmentation. Together these interventions will target the entire child welfare population, from children with screened-in reports of abuse/neglect to those in open cases (in-home or in placement), to post-permanency.

All 64 Colorado counties will participate in the waiver, with some becoming more active earlier in the waiver than others, and with each county having the option to target its waiver efforts to interventions most appropriate for its population and community environment. CDHS is requesting a capped allocation to use IV-E dollars flexibly for any children and any services that support the philosophy of the right support in the right amount at the right time. Its policy focus includes the Child Welfare Program Improvement Policies related to addressing children's health and mental health needs and limiting the use of congregate care.

2. CHILD WELFARE CONTEXT IN COLORADO

Colorado has witnessed dramatic changes in its child welfare population and in its ability to positively influence the trajectory of children’s lives while they are involved with child welfare. The State, in partnership with counties, has taken great strides in conceptualizing and planning systemic reforms, with implementation moving along steadily. These themes converge to make 2012 a fortuitous time to pursue a Title IV-E waiver, to provide vital impetus to a system already going in the desired direction but at risk of losing momentum in the face of slowly recovering local economies coupled with more complex child and family needs. The following sections illustrate the dominant trends in Colorado child welfare and highlight the energetic efforts planned or already underway to improve child and family outcomes. The pace of change in Colorado will be directly affected by the funding flexibility offered through the waiver.

2.1 Trends in Colorado and in Child Welfare

Over the past eight years, Colorado has witnessed some marked changes in its statewide population and its child welfare population. The following charts paint a picture that show the time is right for Colorado to engage in the Waiver Demonstration Project. Family referrals to county departments increased 28% over seven years (Chart 1) while Colorado’s population of children (ages 0-17) only grew 9% for a similar time period (2004 to 2010). The steep rate of increase for family referrals likely reflects the economic downturn in Colorado, as well as nationally, that creates added stresses on families. The number of open child welfare cases has remained fairly constant suggesting that county agencies and their community partners are more fully addressing child and family needs during assessment. This earlier intervention has dramatically affected the rates of children being placed in out of home care, as shown in Chart 2.

Chart 1: Family referrals are outpacing population growth in Colorado.

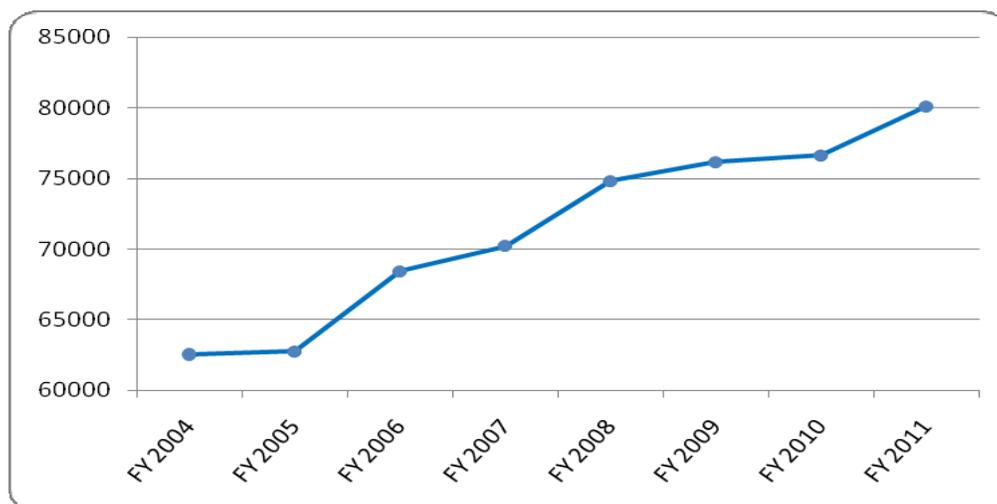
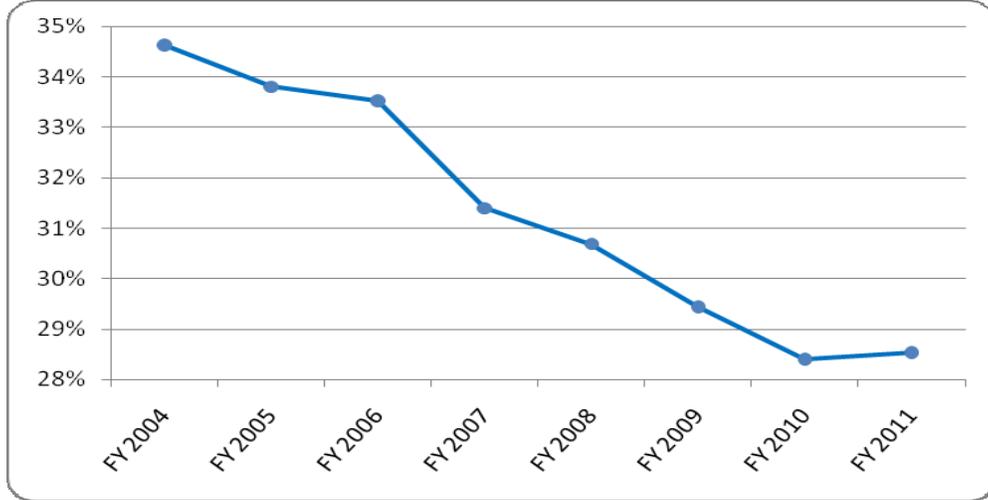


Chart 2: Out of home cases are a declining proportion of child welfare cases.



As Colorado has embarked on reform efforts (described in detail later in the application), in-home services have increasingly replaced out-of-home treatment options (Chart 3). Program Services constitutes the largest portion of state and county funds used for in-home, case management and administrative services. This trend, of course, has occurred without commensurate federal financial support because of the placement bias enshrined in current Title IV-E funding rules.

Chart 4 details the most striking aspect of the decline in placement usage. While average daily placements have decreased steadily, this pattern has not played out as strongly for all types of care. Reductions in family foster care appear to have been achieved through increased use of non-certified kinship care, while congregate care utilization levels have remained fairly constant. One of the most difficult issues facing Colorado’s child welfare system is achieving permanency for older youth in care (Chart 5). Children age 12-18 comprise by far the largest portion of the out-of-home care population – 46% in 2005, slowly declining to 40% in 2011.

Chart 5 demonstrates where significant change can occur with the support of the proposed waiver. The confluence of challenges facing this group of adolescents – longer in care, more likely to be in more restrictive types of care, and more likely to exit the system without a permanent family home - is captured in an analysis compiled by the Casey Family Foundation using Colorado AFCARS data (see Appendix A –information from the No Time To Lose report); Chart 5, reproduced from that report, reveals that Colorado’s use of out-of-home care for older youth exceeds national levels.

Chart 3: In home services and cases are increasing, and are costing Colorado more.

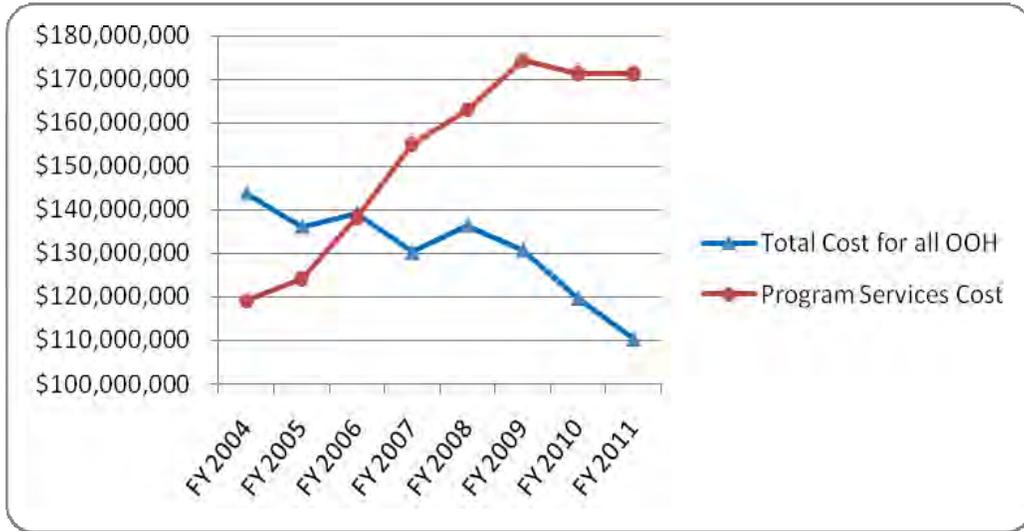


Chart 4: The usage of types of foster care options in Colorado have dramatically changed.

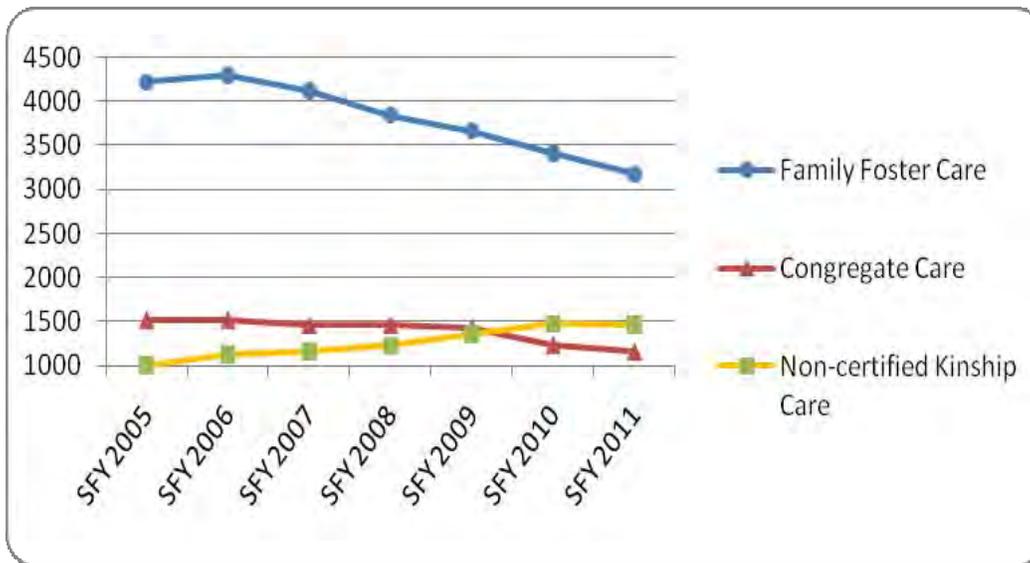
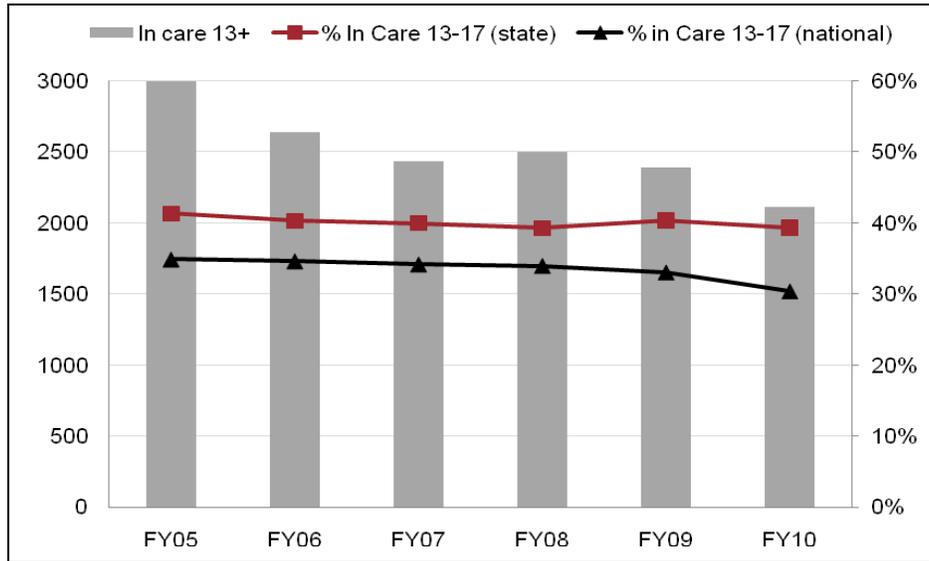


Chart 5: The rate of OOH placements for Colorado’s older youth exceeds the national average.



Another challenge in Colorado is the length of time children spend in out-of-home care, in particular children with the longest stays and those with the shortest stays. The proportion of children in out-of-home care who have been in care for longer than two years has remained stable, at approximately 14% for entry cohorts in the past six years, and the proportion in care for longer than one year has also remained steady, at approximately 50%. At the other end of the duration continuum are children who spend less than two weeks in placement, between 16% and 18% each year. The key is finding alternatives to out-of-home placement; flexible funding under the waiver promises to create such alternatives.

On most CFSR measures during the past four years, Colorado has improved to meet the federal standard or maintained its acceptable performance (e.g. absence of A/N recurrence, timeliness of reunification, timeliness of adoption finalization). In a few areas, however, progress has been more difficult – re-entry to care, placement stability, and permanency for children in care longer (Table 1). These issues have been a focal point for child welfare planning and action but we anticipate that desired results will be reached with the funding flexibility and implementation of waiver activities.

Table 1: Colorado continues to struggle on four permanency measures.

CFSR Permanency Measures	Federal Standard	2007	2008	2009	2010	2011
C1-4 % FC reentry <=12 months	<= 9.9%	15.2%	17.3%	17.7%	13.4%	17.3%
C2-4 %in care 17+ months achieving legal freedom w/in 6 months	>=10.9%	3.2%	2.3%	4.1%	2.3%	1.5%
C3-1 % permanency prior to 18 y-o. for children in care 24+ months	>=29.1	20.7%	19.9%	20.3%	25.0%	21.5%
C4-3 %with <=2 placements for children in care 24+ months	>=41.8%	35.7%	35.8%	35.1%	37.1%	34.5%

Colorado Child and Family Services Review Data Profile

Especially relevant to the waiver demonstration program are the serious challenges facing Colorado in providing appropriate behavioral health services to children and in reducing inappropriate use of psychotropic medications. The mental health of children in the Colorado child welfare system is believed to be a significant factor hindering the state’s ability to meet all of the CFSR Permanency Measures. During the last three federal fiscal years, an average of approximately one-third of the eligible children and adolescents in foster care each year received mental health services through a Behavioral Health Organization (BHO), and each child/adolescent averaged 21 visits annually to a BHO. In addition, inpatient and outpatient psychiatric hospital claims for children in the child welfare system increased by 27% and 3%, respectively, from 2007 to 2009.¹ In 2011, BHO treatment rates ranged from 34-45% of the eligible population.

Eligibility Type	Total Member Months	All Medicaid Eligible	Clients Receiving a Service	Service Rate
BHI FOSTER CARE	50,792	4,233	1,582	37.38%
ABC FOSTER CARE	32,661	2,722	1,329	48.83%
CHP FOSTER CARE	77,227	6,436	2,232	34.68%
FBHP FOSTER CARE	29,541	2,462	1,110	45.09%
NBHP FOSTER CARE	29,282	2,440	997	40.86%

FY11 HSAG report

Psychotropic medications are used too frequently to treat the mental health issues of children and adolescents in the child welfare system. In the past three years, nine of out 10 pharmacy claims for foster children were for psychotropic medicines and represented an average of 55% of all pharmacy expenditures for this population. The use of psychotropic medicine in the state’s foster care population is also substantially larger than in the population not in foster care. Specifically, in FY 2009 approximately 34% of children/adolescents in foster care used at least one mental health drug compared to only 3% of those not in foster care.² This widespread use of psychotropic medicine for the child welfare population is alarming, particularly because these medications can have serious side effects, such as severe weight loss or gain, nervousness, and sleeplessness, which may cause lifelong physical problems.

2.2 Reform Focus Since 2007

In recent years, Colorado has made a significant commitment to reform its child welfare system. In 2009 the federal Child & Family Service Review found that the State needed to make improvement in all the outcome domains of Safety, Permanency, and Well-being. The State passed Systemic Factors 6 (Agency Responsiveness to the Community) and 7 (Foster and Adoptive Parenting Licensing, Recruitment and Retention).

¹ Colorado Department of Health Care and Policy Financing (2012). Health care oversight and coordination plan for children in foster care. Unpublished document.

² *ibid*

The State was found to be in substantial conformity on cases reviewed for re-entry; however the national indicator score for re-entry showed a performance of 17.7% of children re-entering care. All other systemic factors needed improvement. The major theme through all of the review was the inconsistency across counties and the lack of a quality assurance system at the county level. Against this backdrop, state and local leaders began an intensive process of self-reflection and planning for systematic change.

Between 2007 and 2009, eight separate reports provided the CDHS with recommendations for improving the child welfare system and its practices³. The five common findings for system improvement included accountability, clarity and consistency, decision-making and practice, relationships, and preparation and support. Colorado has taken major steps to address these areas of concern through the following major initiatives:

Colorado Practice Model (CPM): With the support of the Mountain and Plains Child Welfare Implementation Center support, CDHS and county child welfare partners, in conjunction with youth, families, foster families, and service providers, developed the Colorado Practice Model. The Colorado Practice Model is a consensus-based child welfare best practice model that fosters continuous quality improvement through identification of promising interventions and peer learning. Rollout began in 2011 to 17 counties and one tribe, with a second rollout in 2012, to 18 more counties.

Collaborative Management Program: Established in 2004, this initiative is the voluntary development of multi-agency services provided to children and families by departments of human/social services and other mandatory agencies (courts, schools, health and mental health agencies). It creates a foundation of a strong state-county partnership and cross-system collaboration among state and county child-serving agencies. The Collaborative Management Program in Colorado is a community-based interagency model that fosters collaboration through the sharing of funds, oversight, and integrated approaches to service delivery. Six counties began to implement the initiative in 2005; it has now been adopted by 32 counties (see sidebar).

<u>Collaborative Management Program Participation by SFY</u>	
SFY 2007-08	17 counties
SFY 2008-09	24 counties
SFY 2009-10	29 counties
SFY 2010-11	30 counties
SFY 2011-12	32 counties

Behavioral Health System of Care: Building from the foundation of the Collaborative Management Program, this relatively new effort (still in the planning stages) seeks to better integrate and coordinate the service delivery systems within CDHS between its Division of Child Welfare Services and Division of Behavioral Health, by creating a trauma-informed system of care that encompasses assessment of past trauma, case management, services and supports, and community-based governance. Under the auspices of a federal Systems of Care expansion grant, this integration of

³ Comstock, A. Synthesis of recommendations for Colorado division of child welfare services system improvement. Mountain and Plains Implementation Center, March 2010.

behavioral health and child welfare services for multisystem adolescents and their families is about to be launched in eight Colorado communities, with plans to roll this out to other communities once successful models are established and can be replicated. Colorado recognizes the importance of integrating behavioral health and child welfare services, a key component of which is reduced use of psychotropic medications for children in care.

All three of the above-described initiatives operate at a systems level, striving to shift entire service delivery structures and organizational relationships and to thereby impact children and families. The following two critical initiatives focus much more directly at a client level, changing the way workers interact with children, youth and families.

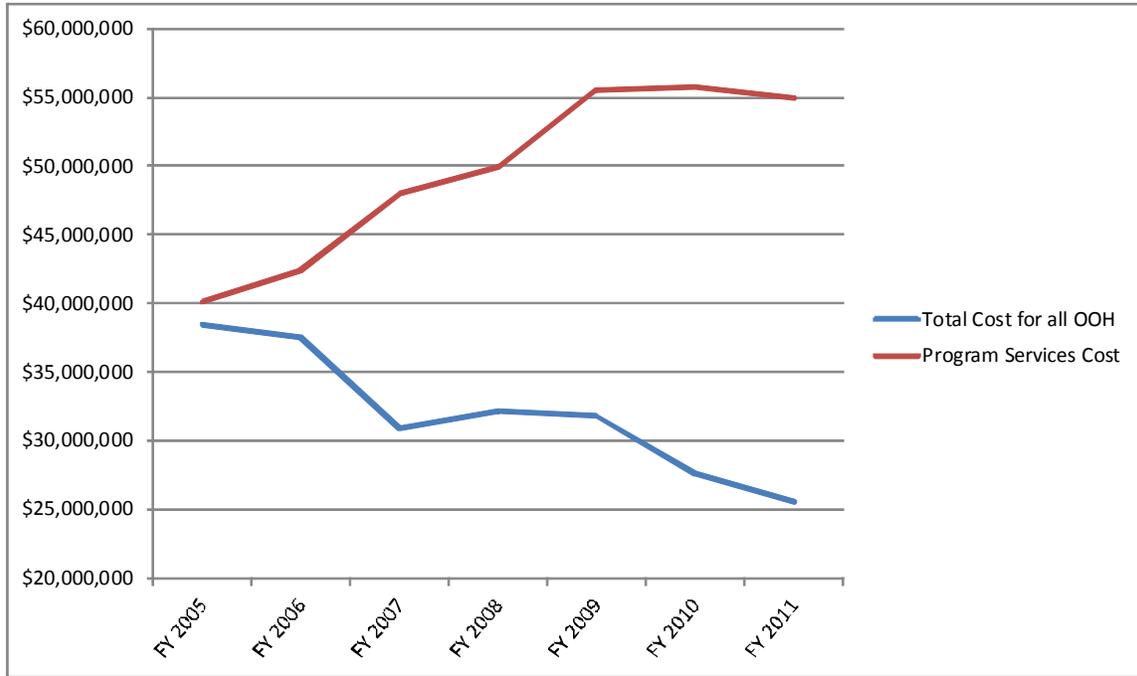
Differential Response (DR): Differential Response, now being piloted in five counties, is a promising model to avoid out-of-home care while maintaining child safety. The DR initiative creates an alternative way to respond to low-to-moderate-risk abuse/neglect reports, designated as the Family Assessment Response Colorado's pilot project began in 2010 as one of three grantees of the federal Quality Improvement Center on Differential Response. Colorado is enthusiastic about DR; Governor Hickenlooper recently signed into law an expansion that will gradually grow the number of counties participating in this approach.

Permanency by Design: This multi-faceted initiative encompasses various efforts related to improving permanency for older youth who are in long-term congregate care placements (residential and group home settings), especially those who have a goal of Other Planned Permanent Living Arrangement Through No Time to Lose (an initiative of Casey Family Programs), focus is placed on finding a permanent home for each youth; outcomes include safely reducing the use of congregate care and improving permanency services for older youth. Through the National Governor's Association Three Branch Initiative, system-level efforts are made to engage judicial as well as legislative branches and the counties as well as state Title IV-E agency, to address barriers to finding permanency for older youth. The Casey Family Programs Permanency Roundtables Practice Model uses facilitated youth-driven roundtables to involve extended family and kin, as well as professionals, to assist youth to have permanent family and community connections. In addition, the Annie E. Casey Foundation is working with several Colorado counties to reduce the use of congregate care for children of any age. Congregate care has become the default location for older youth in too many counties; among the strategies to reverse this trend are increasing supports for adoption and kinship care, establishing treatment foster care options and analyzing pathways and placement courses of adolescents entering out of home care.

Much of this system improvement effort addressed through the reform activities has been developed since the 2009 Child and Family Services five-year plan was established. The reform has been geared to addressing the themes and recommendations of the Program Improvement Plan, which addresses the CFSR findings mentioned previously.

These reforms have already led to reductions in out-of-home care costs in some counties. The chart below shows different trend lines for eight selected counties to illustrate what could be achieved in other counties under the waiver flexibility. This graph also suggests that further improvement could be difficult in these particular counties since they have already made substantial progress in reducing the use of out-of-home placement and they are unlikely to have additional resources to put toward in-home services unless the waiver brings them much-needed flexibility in the use of federal revenues.

Chart 6: Reducing OOH costs requires increased spending in services and staff costs as shown in 8 counties.



The Governor’s Strategic Plan for Colorado, the Department of Human Services Strategic Plan, and the Division of Child Welfare Services Master Plan all emphasize the importance of partnering with counties and communities in creating the future in Colorado, using technology to improve communication and integration of efforts, and establishing data-driven management approaches to increase the efficiency and effectiveness of services and thus improve outcomes for all population groups. The Department’s waiver design builds on this foundation; the State’s commitment to reform will combine with additional flexibility in IV-E to enable state and county child welfare agencies to pursue the waiver goals.

Three major movements have prompted Colorado to pursue a Title IV-E waiver. First, the timing of the waiver authority creates a unique opportunity for Colorado to capitalize on current systemic reform initiatives in child welfare to achieve comprehensive change. Second, Colorado counties are eager to embrace the new practice model, especially the possibilities for innovation in the service delivery system and for peer learning. Third, state and county child welfare leaders are focused on improving outcomes through data-driven management and integration of services across multiple social service systems. These outcomes could be incentivized through savings generated under the waiver. All of these

efforts would be facilitated by flexible waiver funding and would benefit directly from rigorous evaluation of the waiver.

3. PROPOSED PROJECT DESIGN

This section describes the purpose and goals of Colorado’s proposed waiver, and delineates the service interventions and target population. It also clarifies the specific sections of Title IV-E for which CDHS is requesting a waiver, the agency’s readiness to conduct the waiver, the relationship to Colorado’s CFSR, and the Child Welfare Program Improvement Policies to be addressed.

3.1 Purpose of the Project

The purpose of the proposed waiver is to improve child well-being and permanency by unifying varied reform efforts in Colorado’s child welfare system with new strategic initiatives as outlined by the Children’s Bureau regarding emotional/behavioral and social functioning coupled with the use of evidence-based interventions. Colorado’s Child Welfare system faces a number of major challenges:

- The large number of children remaining in out-of-home care more than 24 months,
- High utilization of congregate care,
- Lack of attention to children’s behavioral health needs and over-reliance on psychotropic medications for children in out-of-home care,
- The large number of short-term placements that could be prevented if sufficient front-end services were available,
- Frequent moves in out-of-home care, and
- Re-entry to out-of-home care after reunification.

Each of these challenges promises to be positively impacted by removing the Title IV-E bias toward out-of-home care and by integrating the child welfare system with a larger trauma-informed system of care. Over-utilization of out-of-home care has myriad negative impacts on children and youth, including the initial trauma of removal from home as well as the added trauma of moving among out-of-home placements as a consequence of appropriate services not being provided to address the full range of behavioral challenges of the children.

The main components of the proposed waiver plan include the four major initiatives already in planning stages or in early stages of implementation in Colorado’s child welfare system.

These include the Colorado Practice Model, Permanency by Design, Differential Response, and the Behavioral Health-Child Welfare System of Care built on the Collaborative Management Program. Each is described below in terms of (a) how it would contribute to the waiver goals and purpose and (b) how it would be enhanced and advanced under the waiver.

Colorado Practice Model (CPM) emphasizes use of standard practices, creation of a compendium of best practices, peer learning, and continuous quality improvement (CQI). The heart of CPM is its power to bring counties together around a common vision and practice and to foster sharing and learning across counties; already the child welfare system has seen more peer networking and focus on CQI at the county level than ever before. The waiver can be expected to impact this initiative (its practice and its results) through the focus on trauma-informed assessment and treatment. The waiver will enable counties to use flexible funding to provide trauma-focused services to children in out-of-home care, thereby reducing the length of time in care and the frequency of moves while in care; and it will also allow counties to front-load the services and thereby avoid the potential trauma of removal.

Two other aspects of the CPM that will complement the waiver are the Compendium of best practices and the use of CQI. Both activities have been moving forward significantly, as the counties share successful practices and find outcomes improving. In three specific outcome areas, however, Colorado still has room to improve: the latest Child Welfare Scorecard Report (excerpted in Table 3) shows need for progress on re-entry within 12 months, exit to permanency for those in care more than 24 months, and placement stability for those in care more than 24 months. (See Appendix B for the full Scorecard.) Waiver flexibility to fund new interventions will impact these outcome measures.

Table 3. 2011-12 Colorado CFSR quarterly performance shows room for improvement.						
CFSR Permanency Measure	Federal Standard	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Absence of re-entry into out-of-home care	>90.1%	82.6%	83.6%	79.8%	81.0%	81.9%
Exits to permanency after 24 Months in care	>29.1%	19.9%	20.9%	20.8%	21.3%	21.8%
Children in care over 24 months with no more than 2 placement settings	>41.8%	29.1%	29.1%	29.1%	29.1%	30.9%

Colorado Child and Family Services Review Data Profile

Permanency by Design efforts focus attention on older youth and those in more restrictive settings and those where reunification has been ruled out; these tend to be the cases that remain for the longest periods in out-of-home care and generate considerable costs to both the youth (in terms of the trauma of placement moves and lack of permanency) and to the system (in terms of higher unit cost of care and more days in care).

Key activities include Permanency Roundtables that engage youth and their families in permanency planning, supports for permanent caregivers (adoption and relative/non-relative guardianship), and creating new step-down options for youth in congregate care.

Waiver flexibility could move this initiative forward by enhancing assessment and treatment for trauma-related behavioral health needs and by providing resources for early provision of promising and proven interventions, especially alternatives to psychotropic medications. It could also give momentum to invest in less restrictive forms of out-of-home care, such as treatment foster care and kinship, as well as to enhance supports for kinship caregivers as a permanency option.

Differential Response is in the pilot phase, being evaluated (using a randomized control trial) by the Social Work Research Center at Colorado State University. DR is popular in Colorado because it requires greater family engagement, leading to comprehensive assessment and planning. It also demonstrates the value of front-end services: preliminary findings from the QIC-DR cross-site evaluation as well as Colorado's own evaluation indicate that access to funding for services is easier for DR cases and thus services are provided more quickly⁴. Colorado's evaluation has also shown greater family involvement in service planning among DR families than the control families⁵. One early recommendation from the Colorado study is to add mental health screening questions to the assessment process.

The five main components of DR are enhanced screening, review, evaluate and direct (RED) teams, solution-focused skill sets, facilitated family meetings, and group supervision. The first component could be expanded through the waiver in accordance with evaluation recommendations – adding a mental health assessment at referral and thereby increasing the ability of DR practitioners to explicitly address child functioning in well-being domains. Flexible waiver funds will enable counties to apply all the DR components more widely to improve case decision-making and family involvement for all children and families.

The Trauma-Informed System of Care, in the planning stage, offers the greatest opportunity for enhancement under the waiver and provides the most critical focus for all the waiver components. Being able to move forward to meaningfully address the trauma-related behavioral and social needs of children and youth is the biggest factor that brings Colorado to apply for a Title IV-E waiver. The problems described above related to long stays in out-of-home care, over-reliance on congregate levels of care, over-reliance on chemical treatments for behavioral challenges, and the consequent loss of hope for positive permanency for many older youth can all be ameliorated through directly assessing and appropriately treating the complex needs of children and youth who have experienced trauma. The energy for change that will be generated by participation in the waiver, at all levels of the child welfare system and across child-serving agencies, coupled with flexible waiver funds, can lead to significant progress in a much shorter time than would otherwise be possible.

⁴ Brown, B., et al. Differential response: Early implementation and fidelity. National Quality Improvement Center on Differential Response in child protective services, April 2012, page 22; and Winokur, M., et al. Colorado year 1 site visit final report. Fort Collins, CO: Colorado State University Social Work Research Center, February 2012, page 41.

⁵ Winokur et al, page 10.

3.2 Goals of the Proposed Waiver

Colorado proposes to address all three of the goals that apply to the waiver demonstration projects.

- Increase permanency for infants, children and youth by:
 - reducing time in foster placements, and
 - promoting successful transition to adulthood for older youth
- Increase positive outcomes for infants, children, youth and families in their homes and communities, including tribal communities, and improve the safety and well-being of infants, children and youth
- Prevent child abuse and neglect and the re-entry of infants, children and youth into foster care.

The first goal addresses permanency, in terms of shorter length of stay in out-of-home care and less use of congregate care, in particular assisting older youth to find a permanent family home prior to reaching the age of emancipation, or if that is not possible, to emancipate with adequate skills for successful adulthood. Colorado proposes to address both the broad goal and the specific focus on older youth, through the full range of activities encompassed by the Permanency by Design initiative and attention to needed behavioral health services.

The second goal focuses on intervening with children before placement occurs, serving them in their own homes with preventive and supportive services. Differential Response is one of the innovative approaches that will forward this goal. More broadly, Colorado proposes front-loading of services and supports that will reduce the need for placement (especially for short time periods) and thus reduce the trauma that comes with placement in out-of-home care and with moves among out-of-home care settings. Early treatment of existing behavioral and/or social functioning issues will lead to improved well-being of the child as well as increased parenting skills.

The third goal addresses the safety of children, both in terms of maltreatment subsequent to case opening, while under the protection of the child welfare agency, and maltreatment which occurs after case closure and leads to re-entry of the child into out-of-home care. Colorado proposes to work with parents as well as children on behavioral health and relationship issues and enhancing parental involvement in case plan services.

3.3 Service Interventions

In this application, the language “service interventions” denotes specific client-level activities that caseworkers or service providers make available to a child and/or family. Each intervention can be seen as a separate element of the waiver, tied to one or more of the core waiver initiatives and expected to impact child and family outcomes. The identification of service interventions gives specificity to what Colorado will be held accountable for implementing under the waiver.

CDHS proposes to implement three primary interventions in all counties at some point during the waiver, and three additional interventions may be selected by a subset of the counties. All six interventions promise to have direct impact on child well-being.

The three core practices are:

1. Family engagement: When families are engaged early, they are more likely to fully participate in case planning and to cooperate in accessing needed services. Family engagement is a core element of many promising child welfare practices such as Team Decision Making, Family Group Decision Making, and Differential Response⁶. It is also a value that is central to CPM and to development of the Trauma-Informed System of Care; its use has received new impetus from a newly established state rule on family engagement.⁷ Colorado will build from its pilot DR practice, and from family meetings that are part of DR and also are integral to the Permanency by Design initiative, introducing family engagement precepts and processes through training, coaching and peer mentoring. These activities are expected to occur in all counties, but the extent of implementation may vary in timing and population focus.
2. Trauma-informed child assessment: Conducting a comprehensive assessment that explicitly examines the trauma of abuse/neglect greatly increases the ability of the child welfare system to address child well-being, especially the behavioral, emotional, and social dimensions. Colorado's Behavioral Health Organizations (BHO) already use a variety of assessment approaches; under the waiver, CDHS will complement existing assessment processes and instrumentation with some promising tools geared specifically to children who have experienced trauma (Table 4). BHOs and/or child welfare agencies may conduct the trauma-informed assessments. Also, the Differential Response project intends to enhance its family assessment process and instrumentation to include behavioral health dimensions.

The measures in Table 4 are the only ones out of 269 measures that were reviewed by Lou and colleagues⁸ that met the following criteria:

- Provides comprehensive assessments of child and youth well-being (i.e., language development and communication; intellectual ability and cognitive functioning; physical development and motor skills; socio-emotional competence)
- Assesses for child and youth strengths and competence
- Normed with a child welfare population or appears to be appropriate for child welfare use
- Demonstrated sound psychometric properties

Although the potential measures presented below focus on child and adolescent strengths and competence, the State will continue to take a trauma-informed approach to assessment under the waiver by identifying the nature and extent of past traumatic events in children and adolescents involved in the child welfare system. It is expected that past trauma will influence functioning as assessed by these measures.

⁶ California Evidence-Based Clearinghouse for Child Welfare, <http://www.cebc4cw.org>

⁷ CDHS Agency Letter CW-12-11-P: Family engagement requirements, June 2012.

⁸ Lou, C., Anthony, E.K., Stone, S., Vu, C.M., & Austin, M.J. (2008). Assessing child and youth well-being: Implications for child welfare practice. *Journal of Evidence Based Social Work*, 5 (1-2), 91-133.

This focus on positive functioning will allow child welfare services to target areas of low functioning, as well as to build on the existing strengths and abilities of Colorado children involved in child welfare.

Table 4: Potential Child Assessment Tools	
Assessment Tool	Domains Assessed
Child Observation Record	Sense of self; social relations; creative representation; movement; communication and language; exploration and early logic
Battelle Developmental Inventory	Cognition; communication skills; psychomotor ability; communication skills; psychomotor ability; personal –social skills; adaptive behavior
Ages and Stages Questionnaire	Personal-social; gross motor; fine motor; problem solving; communication
Child Developmental Inventory	Social; self help; gross motor; fine motor; expressive language; language comprehension; letters; numbers
Behavioral and Emotional Rating Scale	Interpersonal strength; family involvement; intrapersonal strength; school functioning; affective strength
Clinical Assessment Package for Assessing Clients’ Risks & Strengths	Emotional expressiveness; family relationships; family’s embeddedness in the community; peer relations; sexuality
Social Skills Rating System	Social skills; problem behaviors; academic competence
Child and Adolescent Adaptive Functioning Scale	School performance; peer relationships; family relationships; home duties/self-care
4-D Strengths-Based Assessment Tools for Youth in Care	Belonging; knowing; becoming; giving
Family, Friends, and Self Form	Family settings and relationships; peer activities and involvement; self-esteem

3. Trauma-focused behavioral health treatment: Under the waiver, Colorado counties will expand their use of proven and promising behavioral health treatments. While local BHOs are already using some evidence-based practices, the waiver will enable county child welfare agencies to directly contract for such services and/or encourage local BHOs to utilize additional interventions shown to be particularly effective with children who have experienced trauma.

A standard adjunct to behavioral health treatment for children is addressing parent-child interactions; thus part of this intervention is services to build parenting capacity, such as mentoring and parent education.

Table 5 lists potential treatment interventions, which may be used in selected counties.

All of these interventions have been reviewed and scientifically rated by The California Evidence-Based Clearinghouse for Child Welfare (CEBC) on the following five point scale: 1 = well-supported by research evidence; 2 = supported by research evidence; 3 = promising research evidence; 4 = evidence fails to demonstrate effect; and 5 = concerning practice. For each area of treatment, the practices with the best ratings were chosen. With the exception of the two practices for case management which are each rated by the CEBC as having promising research evidence, all of the practices listed are rated by the CEBC as well-supported by research evidence and are also included on the Substance Abuse and Mental Health Services Administration National Registry of Evidence-based Programs and Practices.

Table 5: Potential Evidence-Based Practices for the Colorado IV-E Waiver		
Target Group	Treatment Area	Evidence Based Practice
Children and Adolescents	Case Management	<ul style="list-style-type: none"> • Family Connections • Solution-Based Casework
	Trauma and Anxiety	<ul style="list-style-type: none"> • Eye Movement Desensitization & Reprocessing • Trauma-Focused Cognitive-Behavioral Therapy • Coping Cat
Adolescents	Multiple (e.g., conduct disorder; substance abuse)	<ul style="list-style-type: none"> • Multidimensional Family Therapy • Multi-systemic Therapy • Multidimensional Treatment Foster Care
Adults	Substance Abuse	<ul style="list-style-type: none"> • Motivation Interviewing
	Depression	<ul style="list-style-type: none"> • Cognitive Therapy • Interpersonal Psychotherapy
	Parent Training	<ul style="list-style-type: none"> • The Incredible Years • Oregon Model, Parent Management Training • Parent-Child Interaction Therapy • Triple P – Positive Parenting Program

In addition to these three core waiver interventions, CDHS will assist individual counties to determine other practices they will implement to address the county’s specific needs and situation. Among the options are:

4. Permanency Roundtables: The Casey Family Services initiative includes multiple steps to engage staff, the target youth and others in creating and implementing a plan for a permanent family home setting for the youth, coupled with preparation for adulthood. Gathering family and other support people at a meeting to discuss permanency for the youth is akin to the family team meetings that already occur as part of DR and generally as part of good casework practice.

Under the waiver, the Roundtable process can be expanded to counties that do not directly participate in the Casey Family Programs initiative, and that make substantial use of congregate care and other planned permanent living arrangements.

5. Kinship supports: Certified kinship caregivers receive per diem payments and have access to training, support groups and other foster care resources such as kinship guardianship. Kinship caregivers who are not certified as foster parents typically have access to much less support: TANF funds may provide some limited financial assistance, but children are not automatically eligible for Medicaid or guardianship subsidies. The waiver flexibility will enable counties to establish support groups, referral networks, and even a pot of discretionary funds to help non-certified kin be successful. Kinship placements have been shown to be more stable than non-kinship foster care and to increase permanency with kin; they also hold promise to improve child well-being⁹. The waiver activities may be complemented by new Colorado legislation expanding the definition of kinship caregivers and lowering the safety requirements for kinship certification (see section 3.6 below).
6. Market segmentation: Market Segmentation is a tool for targeting recruitment of foster parents and adoptive parents. Market Segmentation helps to answer three of the four key marketing questions: Who are the targets that you most want to reach? What are they like? How can you reach them most cost-effectively? This model uses four fundamental elements: it is data-driven; it emphasizes cultural competency; it employs right messages and media; and it is community-based.

CDHS is working with the National Resource Center for the Recruitment and Retention of Foster and Adoptive Parents to develop a data-informed strategy to assist in recruiting foster and adoptive families. The Department gathered data from over 3,000 successful foster families¹⁰, and contracted with Nielsen-Claritas Company to develop demographic and lifestyle profiles for the zip codes where these successful foster parents lived. CDHS will use the data to focus its efforts in stores, restaurants and business that these foster parents frequent.

County departments can more accurately target marketing to geographic areas that have residents who most resemble successful foster parents. In addition, to increase the likelihood that children stay in their home neighborhoods, CDHS also gathered zip code data on children and youth removed. Combining these two data sets helps to better target foster home development efforts. This process also supports developing partnerships with businesses the local communities where these families live. Thus far, 26 counties and one tribe have participated in the Market Segmentation Training, and 22 counties are actively moving forward with revised marketing plans. Under the waiver, these efforts can be expanded to reach more counties.

⁹ Kinship Care Outcome Study by Colorado State University, Applied Research in Child Welfare Project

¹⁰ Success includes children remaining safe in the foster home, and children reunified with parents or being adopted by the foster parents.

The following graphic illustrates how the key initiatives relate to the specific service interventions being considered as part of the waiver.

Figure 1:

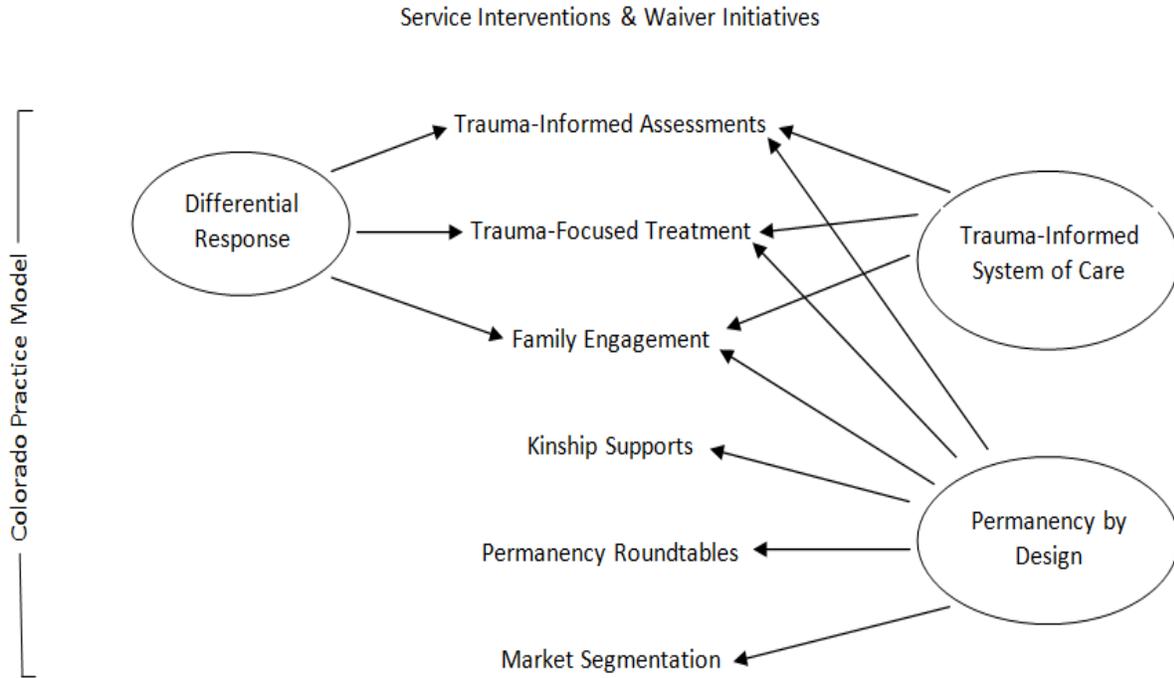


Table 6 below indicates how each of the six waiver interventions relates to specific desired outcome measures and to Colorado’s PIP targets, as well as clarifying the target population for each intervention.

Table 6: Linking Waiver Interventions to Outcomes, CFSR measures, and Target Population

Interventions	Outcome measures	PIP elements	Target population
Family engagement	Shorter length of stay in care More stability in care Greater fidelity to family engagement intervention (using Qualitative Case Review Protocol)	Primary Strategy 3: Improve Permanency and Well-being outcomes by increasing consistent services irrespective of where in the state the child(ren), youth and family live. Permanency Outcome 1: Children have Permanency and Stability in their Living Situations; Permanency Items 13, 14, 15, 16, 17, 18, 19, 20, and Systemic Factor 25	All CW population
Trauma-informed screening & assessment	More appropriate use of psychotropic medications More placement avoidance	Well Being 3, Item 23	Intake/ assessment population
Trauma-focused treatment	More appropriate use of psychotropic medications Less use of congregate care Fewer moves while in care	Well Being 3, Item 23	All CW population
Permanency Roundtables	Shorter length of stay in care More stability in care More placement with kinship caregivers	Permanency 1 and Permanency 2	Children in long-term placement
Kinship supports	Quicker permanency/ shorter LOS More placement with kinship caregivers (certified and non-certified)	Permanency 2: The Continuity of Family Relationships and Connections is Preserved for Children Well-Being Outcome 1: Families have enhanced Capacity to Provide for their Children’s Needs. Well-Being Outcome 3: Children Receive Adequate Services to Meet their Physical and Mental Health Needs Item 8, 23	Families with open cases – in-home or placement
Market Segmentation	More foster family homes More children placed in home community More children placed with siblings	Permanency 2: Provide sibling placement resource recruitment information to county departments. Item 12	County residents

3.4 Waiver Scope

The initiatives and interventions to be included under the waiver have different target populations and may be implemented to varying degrees in different Colorado counties over the course of the five-year demonstration project (October 2012-September 2017). The section below describes plans for reaching the different subgroups of the Colorado child welfare population, and for gradual rollout of the initiatives to all counties.

Target Population for the Waiver

The target population for the proposed waiver is all children with screened-in reports of abuse/neglect or those already in open cases (receiving services) during the waiver period, regardless of custody status or eligibility for Title IV-E. The demographics of the current child welfare population are displayed in Table 7 below.

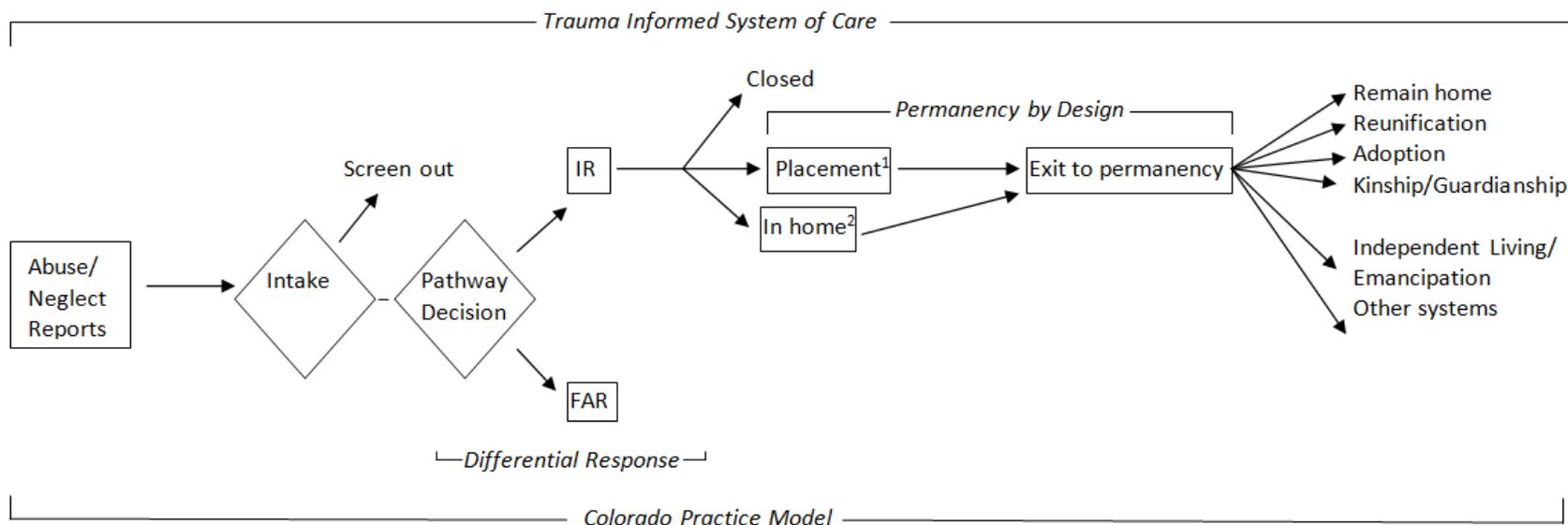
Table 7: Demographics of Target Population			
Demographic Characteristics	All Children in child welfare (assessed)	All Open Cases (involved)	All out-of-home Cases
Total number SFY 2011	60,838	21,594	11,269
% male	51%	53%	54%
% white, AA, Latino	40%, 8%, 31%	45%, 9%, 36%	44%, 13%, 37%
% age 2 & under, 3-5, 6-11, 12-18	20%, 19%, 33%, 27%	18%, 17%, 27%, 36%	19%, 15%, 22%, 40%

Certain initiatives and service interventions proposed as part of the waiver will focus on smaller subgroups within the overall Colorado child welfare population. In particular:

1. The Trauma-Informed System of Care initiative (built on the Collaborative Management Program) and CPM relate to the entire operation of the child welfare system; both are expected to be rolled out across the whole state, so interventions/activities related to these initiatives would potentially reach children and families at all the stages of the child welfare involvement (intake, in-home cases, placement and kinship cases, post-placement services).
2. Differential Response is used with families reported for abuse/neglect, in the intake phase of child welfare involvement and at risk of placement. Family engagement applies here, as do the trauma-informed assessment and treatment interventions.
3. Permanency by Design focuses on older children/youth, those longer in care, and those in congregate care, so interventions are targeted to children in out-of-home care. Again, family engagement applies here, as do the trauma-informed assessment and treatment interventions.

Figure 2:

Child Welfare Pathway & Waiver Initiatives



¹Includes the full range of settings, from non-certified kinship care to family foster care to congregate care.

²Includes interventions that child welfare staff provide, purchase of services, and referrals to other providers/systems

It is difficult to estimate the number of children to be served through the waiver. Children may be directly or indirectly impacted as a result of the interventions or activities the county engages in. CPM is expected to roll out to the entire state during the five years of the waiver, so family engagement and trauma-informed treatments are likely to reach the majority of clients to some degree. By contrast, DR will likely be expanded to perhaps two dozen counties over the course of the waiver, while the trauma-informed SOC may be slower in rolling out since it is now in the early planning stages. The following table uses some basic parameters to estimate the size of the target population for a few interventions:

Table 8: Estimate of Target Population						
Intervention	# Counties start of Y1	# Cases	# Counties end of Y2	# Cases	# Counties end of Y5	# Cases
Family engagement	5	5,376	10	9,007	64	60,000
Trauma-informed child assessment	8 (COE)	0	8 (COE)	100	64	30,000
Trauma-focused treatment	8 (COE)	0	8 (COE)	100	24	10,000
Kinship supports	3	35	8	100	24	400
Permanency roundtables	2	70	11	150	24	700
Market segmentation	22	NA	27	NA	59	NA

The number of counties expected to be involved in each of the waiver interventions has been calculated based on several assumptions. Several of the interventions are projected to reach 24 counties by the end of the waiver period; while this is a small proportion of the total counties in the state (64), it includes the largest counties and encompasses 97% of the state child welfare population. For family engagement, DR currently operates in five counties and the State intends to expand it to 10; however, family engagement practices are expected to reach all counties and all cases entering the system (assessment phase). For trauma-related assessment and treatment, eight counties have begun to implement the Trauma-Informed System of Care and are designated as “Centers of Excellence” (COE); the State intends to include a few more counties during the waiver period. However, trauma-informed assessment practices will be used as appropriate with children from all counties, and trauma-focused treatments, while not necessarily available in all counties, will likely be available to families in most areas of the state. The kinship supports and permanency roundtables interventions currently operate in a few counties and will be gradually expanded. Market segmentation will reach 22 counties very soon, and is expected to be used in all 59 counties that have county-certified foster homes.

Geographic Scope of the Waiver

All Colorado counties will be part of the waiver. During the course of the five-year project, each county will implement some or all of the waiver initiatives and interventions.

For purposes of evaluation, the above Table 8 lists 24 counties for three of the interventions.

These 24 counties represent approximately 97% of the child welfare caseload. Some counties are already farther along in the process than others; and some others are clearly taking a wait-and-see approach. It is expected that a small group of counties will engage at the beginning of the waiver; this early group would likely be counties that have already begun implementing CPM, have a basic CMP framework in place, and may also be engaged in one or more of the DR and Permanency by Design initiatives. In the subsequent two years, with peer support from the first group of counties, additional groups of counties will likely emerge to roll out the waiver initiatives in various combinations and for somewhat varying target groups. The intent is that, by the end of the waiver, all counties will have implemented the waiver-related initiatives and interventions to some degree. Efforts will be made to afford equal opportunity to all counties to step up earlier rather than later, and to assure that a mix of counties (in terms of urban/rural, poverty level, financial stability, etc.) become active each year. The State will explore ways to incentivize counties to implement certain waiver activities, and will monitor county readiness on each of the initiatives.

3.5 Title IV-B and IV-E Waivers Needed

CDHS requests waiver of the following sections of Title IV-E:

- Sec. 471(a)(1) provides for foster care maintenance payments in accordance with section 472 and for adoption assistance in accordance with section 473. We would like the foster care maintenance payments piece waived.
- Sec. 471(a)(3) provides that the plan shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them. We would like to waive this part as not all counties in the state will be offering or testing the same services.
- Sec.471(a)(16) provides for the development of a case plan (as defined in section 475(1)) for each child receiving foster care maintenance payments under the State plan and provides for a case review system which meets the requirements described in section 475(5)(B) with respect to each such child. We would request waiver of completing the case plan as described since it is anticipated that children may be involved for less than 30 days and completing the case plan, as prescribed, will create confusion and conflict during family engagement.
- Sec.472 Eligibility. We would like the entire section waived that requires maintenance payments only be made for children removed from their homes or that AFDC eligibility is required for children to be eligible.
- Sec. 474(a)(1)Payments. We would like this section waived as it is based on the total spent for the quarter for foster care maintenance.
- Sec. 474(a)(3) We would like this section waived as it is based on the total spent for the quarter for administration.

- Section 474(a)(3)(E) and 45 CFR 1356.60(c)(3): Expanded Services: To allow the State to make payments for services that will be provided that are not normally covered under Part E of title IV of the Act; and to allow the State to use title IV-E funds for these costs and services.
- Sec. 474(b)(1) We would like this section waived as it requires that estimates be made based on anticipated expenditures.
- Sec. 475(1) We would like this section waived as it requires a case plan with many requirements that would not apply to children served in their own home and places an undue burden on the State.

3.6 Readiness to Implement the Demonstration

Colorado is perfectly poised to implement the demonstration project. In 2012, several pieces of legislation passed that support the proposed waiver:

- SB12-066 the State’s guardianship assistance program was expanded from relatives in the 5th degree to include kin, a person ascribed as having a family-like relationship with the child. This change will support the waiver goals by expanding kinship supports and permanency options available to kinship caregivers, and will thereby lead to more and earlier permanency for children living with kin.
- HB12-1047 authorizes waiver of non-safety standards for kinship foster homes. This will assist counties in increasing kinship supports.
- SB12-033 requiring review and public reporting of egregious incidents of abuse and neglect and near fatalities.
- SB12-011 allowing for expansion of differential response and authorizing the department to promulgate rules to operate the program.

3.7 Relationship to CFSR Findings and Performance Improvement Plan

This project directly addresses CFSR findings, and will positively affect implementation of the PIP in the following ways:

- A key finding of the CFSR was the lack of family involvement in case planning, impacting CFSR Items 13, 14, 15, 16, 17, 18, 19, 20 and Systemic Factor 25. Through Differential Response, Permanency by Design and the Trauma-Informed System of Care, family involvement in case planning will be increased across the State.
- Another key finding of the CFSR, impacting items 8, 23, and Systemic Factors 36 and 37, was the lack of access to mental health services for children in placement. This project supports the PIP goal to increase access through the use and measurement of trauma-informed assessments and treatments.

- Through use of the waiver interventions of Market Segmentation and increasing kinship supports such as kinship guardianship, reducing barriers to timely and appropriate permanency will be improved.

3.8 Child Welfare Program Improvement Policies

Through the waiver, CDHS will implement two new child welfare program improvement policies. Both of these policies are priorities of the department, and efforts to implement them have begun in some portions of the state. The two policies are:

- (2) **Addressing Health and Mental Health Needs of Children in Foster Care:** The development and implementation of a plan for meeting the health and mental health needs of infants, children, and youth in foster care that includes ensuring the provision that such care is child-specific, comprehensive, appropriate and consistent. The use of trauma-informed assessment and care as well as a focus on decreasing inappropriate use of psychotropic medications are two of the components that will be used for this area. The waiver activities will be directed to children at all stages of the child welfare system, not only those in foster care but also those who are at risk of placement or who have moved to permanency.
- (5) **Limiting Use of Congregate Care:** The development and implementation of a plan that ensures congregate care is used appropriately and reduces the placement of children and youth in such care. In order to implement such a plan, it will be necessary to increase recruitment and retention of homes including kinship homes that are qualified to serve children who might otherwise be placed in congregate care. This effort will also include activities to increase family engagement in case planning and services.

4. EVALUATION DESIGN

The Colorado Department of Human Services will use a formal Request for Proposal (RFP) process to select the evaluator for Colorado's IV-E Waiver project, if awarded. The RFP process fosters effective broad-based competition to determine the highest quality and most cost-effective services available to Colorado. The RFP for the waiver evaluation will specifically require respondents to propose the most rigorous and appropriate approach to determine the impact and effectiveness of the waiver interventions, and to explain the rationale for their chosen approach. CDHS will engage counties and other stakeholders as appropriate in the selection of the most qualified evaluator.

4.1 Basic Evaluation Design

The evaluation consists of three studies: process, outcomes, and cost. As described above, the waiver initiatives and interventions will roll out gradually over the first three years of the waiver, until all counties are actively engaged in one or more of the target interventions. Given this roll-out, the evaluation will have the opportunity to use later-engaged counties as a comparison group for counties actively implementing in earlier periods. We briefly describe each of the evaluation studies below.

Process study: The process study will periodically assess progress made at the county level in implementing the four initiatives (CPM, Trauma-Informed System of Care, DR, Permanency by Design) using metrics built by a state-county workgroup during the developmental phase of the waiver. It will focus on system-level changes such as organizational structure, staffing (configuration, training, etc.), interagency relationships (within county, across counties, state-county), provider/service development (service contracts, foster family and kinship homes, therapeutic and treatment foster care, adoption and kinship supports), and family and youth involvement in agency policy decisions as well as case planning activities. A similar focus will guide exploration at the state level but with more attention given to monitoring and tracking functions, planning and policy work across CDHS, and advisory involvement by county child welfare leaders, service providers, and families. Regular contact will be made with each county child welfare agency.

The evaluation team will study implementation of the interventions (family engagement, trauma-focused behavioral treatments, etc.) by tracking a variety of activities: the process of training staff, designing ways to integrate the new intervention into the existing casework process, putting in place needed tools, and actual delivery of the intervention to children/families. Evaluators will use fidelity tools to judge how well each intervention adheres to the model.

Outcomes study: The outcomes study will examine changes that occur in child and family outcomes using two distinct approaches. The first is a time-series analysis of change over time in aggregate client measures at the county level, for key CFSR measures plus some additional items of interest to Colorado. The central hypothesis is that counties who become active in the waiver more quickly will show more rapid improvement on the key measures. Explanatory factors may include some of the measures of organizational structure, staffing, and interagency relationships explored in the process study.

The second approach to outcomes analysis will be a matched case comparison design to examine changes in outcomes for children receiving one or more interventions in first round counties, compared to similar children in counties not active in the first round. Key explanatory factors will include client characteristics as well as the volume and timeliness of services provided. More details on this part of the outcomes study is provided in the following section on Logic Model and Hypotheses.

The State expects the evaluation team to develop a much more detailed plan, at the highest level of rigor appropriate for a statewide waiver.

Cost study: The cost study will examine changes over time in county-level expenditures and revenues, comparing counties active earlier in the waiver to those that become active later. It will rely largely on data found in existing fiscal accounting systems at the state and county levels, supplemented as needed by data compiled for evaluation purposes by county fiscal offices. The evaluation will seek to link cost information to outcomes findings at the county level.

CDHS is committed to supporting a comprehensive evaluation. One clear incentive to participating in the waiver is that it enables Colorado to study, collect, and analyze data related to waiver efforts and thereby strategically target future activities in ways that make the most difference for children and

families. The Department will ensure that the evaluation contractor fully cooperates and collaborates with the national evaluation contractor.

4.2 Logic Model and Hypotheses

Logic Model

The evaluation will be based on a detailed logic model encompassing the interventions and the outcomes discussed above. The draft logic model below has been developed by a small workgroup tasked with preparing this waiver application. As soon as possible after Colorado's waiver receives federal approval, CDHS will convene a team of key stakeholders at the state and county levels, plus the evaluation team, to refine this initial logic model.

Figure 3: LOGIC MODEL FOR WAIVER INITIATIVE

Problems	Activities	Outputs	Outcomes
<p>Churn effect: short-term placements</p> <p>Children remaining in care longer than 24 months</p> <p>Children in congregate care</p> <p>Frequent moves while in care</p> <p>System not addressing child/family behavioral health needs and/or over-utilization of psychotropic meds</p> <p>Children re-entering out-of-home care after reunification (or exit to kinship custody)</p>	<p>Conduct comprehensive assessment: identify behavioral health needs</p> <p>Provide trauma-informed EBIs</p> <p>Provide range of behavioral health interventions beyond chemical ones</p> <p>Engage families in case planning and in services</p> <p>Engage youth in case planning and services</p> <p>Front-load services</p> <p>Recruit, train and support (with funds and services) family foster care and kinship caregivers</p> <p>Support permanency (with funds and post-placement services) by adoptive parents and kin</p>	<p>Better identification of trauma-related behavioral health needs</p> <p>Quicker referral to appropriate services</p> <p>More availability and use of evidence-based behavioral health treatment</p> <p>Quicker provision of needed services</p> <p>More appropriate use of psychotropic medications</p> <p>More family and youth engagement</p> <p>Higher rate of completion of treatment services</p> <p>More family foster and kinship homes</p> <p>Longer retention of temporary (family foster and kinship) caregivers</p> <p>More supports to temporary caregivers and/or increased proportion of caregivers receiving supports</p> <p>More supportive services to adoptive and kinship caregivers and/or greater proportion of adoptive and permanent kinship homes getting supports</p>	<p>Better child functioning</p> <p>Greater parenting capacity</p> <p>More avoidance of out-of-home care</p> <p>Fewer days in out-of-home care</p> <p>Greater child safety: less A/N recurrence (during out-of-home placement as well as after case closure)</p> <p>Less use of congregate care, instead using family foster care or kinship care</p> <p>More stability: fewer moves during out-of-home care episode</p> <p>More permanency to adoptive and kinship caregivers in place of negative exits (emancipation, etc.)</p> <p>Lower dissolution rate of adoptive and permanent kinship exits</p> <p>Less re-entry after reunification or kinship custody</p>

The Outcomes column of the logic model lists the major child, youth and family outcomes to be assessed as part of the waiver evaluation. All three outcome domains of safety, permanency, and well-being will be addressed through examination of the population served through each waiver intervention. We offer below examples of specific hypotheses that will be tested. The evaluation plan to be submitted within 90 days of waiver award will offer more extensive and detailed hypotheses.

Hypotheses

Goal: Reduce rate of removal/avoid out-of-home care for infants, children and youth, and thus prevent system-generated trauma of children and their families.

Data: 10% of children/youth placed out of home return home within two weeks.

Hypothesis 1: Children at risk of placement who receive targeted prevention services (targeted to specific factors leading to short-term out-of-home placements) are less likely to experience removal than similar children who do not receive appropriate preventive services. This will reduce the percentage of children removed from and returned to their homes within two weeks.

Goal: Improve child and youth well-being in the areas of mental health and relationships.

Data: A. Children/youth in care aged 12 and under, with more than two moves in 12 months; and Children/youth in care with more than two moves in 24 or more months
B. Youth aged 10 -18 with runaway as a coping mechanism

Hypothesis 2: (A) Children who receive trauma-focused behavioral health treatment will experience greater placement stability (are less likely to experience more than two moves in 12 months) than similar children who do not receive such services.

Hypothesis 3: (A) Children who receive trauma-focused behavioral health treatment are more likely to have improved behavioral functioning than are similar children who do not receive such services.

Hypothesis 4: (C) Children who receive trauma-focused behavioral health treatment will be less likely to run away from the treatment foster care setting than similar children who do not receive such services.

Goal: Reduce re-entry to out-of-home care.

Data: 18% of children who are reunified re-enter out-of-home care within 12 months

Hypothesis 5: Children in out-of-home care whose families are engaged in case planning and services are more likely to be reunified and are less likely to re-enter out-of-home care than are similar children in out-of-home care.

4.3 Specific Details Related to Well-Being Outcomes

As noted above under the description of likely waiver interventions, State and county stakeholders will work with the evaluation team to compile a list of promising behavioral health interventions that may

be adopted by individual counties or individual treatment facilities for children involved with the child welfare system. The evaluation team will identify appropriate assessment instruments and tools to assess changes in child functioning, and work with state and county staff to ensure consistent use of the tools and data collection. Similarly, assessment and intervention methodologies will be identified relating to parenting capacity.

4.4 Data Collection

Data for the outcome evaluation will come largely from Colorado's SACWIS system, Trails. Depending on the specific interventions selected under the waiver, there likely will need to be some supplementary primary data collection related to assessing changes in child/youth behavioral, emotional and social functioning, as well as changes in parents' care giving capacity.

Data for the process evaluation will come from interviews, focus groups, and/or surveys of stakeholders at state and local levels, including agency staff as well as service providers and families receiving services. Questions will gather facts and probe attitudes and opinions, as well as examine fidelity to intervention models. This primary data would be supplemented by written information from child welfare agencies and service providers, as appropriate.

Data for the cost study will come from existing information systems at state and, if needed, local levels including both revenues and expenditures related to services provided to the child welfare population.

5. COST NEUTRALITY, FINANCIAL INFORMATION AND ADDITIONAL REQUIREMENTS

This section identifies Colorado's expected cost savings under the waiver and proposes a cost-neutral financing model. It also documents Colorado's status regarding other waiver requirements. Colorado intends to calculate the total amount of expected Title IV-E expenditures in maintenance and administration for future years in order to estimate the amount of federal funding that will represent cost neutrality. These projected annual amounts will be used to provide the range of system interventions described in this proposal.

5.1 Estimate of Cost Savings

Based on a regression analysis of the three most recent state fiscal years of expenditure data available, Colorado is projecting that, absent system reforms as delineated in the application and supported through the waiver demonstration projects' implementations, its Title IV-E costs for Foster Care Maintenance, Administration – Case Planning, and Administration – Eligibility Determination will increase by 15.7% between SFY 2011 and SFY 2017. The waiver demonstration projects will allow for reinvestment of those funds to reduce the number of out-of-home placements, the length of the placements and the cost of the placements. Without knowing the level of funding the state would receive in a waiver demonstration, it is difficult to determine the amount of cost savings. The basis for this cost-neutrality model rests on the fact that the state projects an upward trend in actual IV-E revenue. By negotiating at a level that is slightly lower than the projection, this model shows that the

state would not be claiming more IV-E funding during a waiver demonstration than if the state never entered into a waiver.

5.2 Description of Proposed Cost-Neutral Financing Model

Colorado is requesting a capped allocation for the Title IV-E waiver demonstration. Federal foster care expenditures are reported quarterly in five categories: Maintenance Assistance payments, State and Local Administration, SACWIS, State and Local Training, and Demonstration Projects. Colorado proposes to include in the waiver demonstration only Maintenance Assistance payments and a portion of Administration expenditures. For purposes of this waiver demonstration, the only costs included in Administration will be Case Planning costs and Eligibility Determination costs. SACWIS and State and Local Training will be excluded from the waiver demonstration, and Colorado does not currently have any Demonstration Project costs.

Based on a regression analysis of the three most recent state fiscal years of expenditure data available, Colorado is projecting that, absent system reforms as delineated in the application and supported through implementation of the waiver demonstration project, Title IV-E costs for Foster Care Maintenance and Administration will increase by 15.7% between SFY 2011 and SFY2017. The cost neutrality model is based on these three fiscal years as they show a true picture of the path that Colorado is moving with IV-E funds in the three funding areas identified for a waiver demonstration. Even though the level of maintenance assistance is expected to decrease, a closer analysis of the IV-E maintenance costs indicate a slowing in the reduction in claims: between SFY 2008 and 09, the costs decreased by 9.9%; between SFY 2009 and 10, the costs decreased by 6.6%; and between SFY 2010 and 11, the costs only decreased by 4.4%. The analysis further found that some of Colorado's largest counties experienced an increase in the IV-E maintenance claims between SFY 2010 and 11. The waiver demonstration project will allow for reinvestment of those funds to reduce the number of out-of-home placements, the length of the placements and the cost of the placements.

This cost-neutrality model builds on the fact that the State projects an upward trend in actual Title IV-E revenue. If the state is not able to implement its proposed strategies, the data shows that Colorado will be increasing its use of high-cost placements and increasing its federal IV-E claims. Without the waiver, state IV-E spending will reach \$51 million by 2017. Colorado projects to claim a total of \$242,684,551 of federal IV-E funds between SFY 2012-13 and SFY 2016-17, with an annual average of \$48,536,810. The State requests a federal funding level of \$242.5 million, or \$48.5 million per year for the next five years. By negotiating at a level that is slightly lower than the projection, this model shows that the State would not be claiming more Title IV-E funding during a waiver demonstration than it would have, absent the waiver. Thus Colorado is calculating a costs savings of approximately \$185,000 by requesting an annual funding level of \$48.5 per year. Table 9 shows the expenditures in these three areas, by state fiscal year, from July 1, 2006 through June 30, 2017. Note that these funds do not include SACWIS Development Costs, Title IV-E Adoption funding, Title IV-E Relative Guardianship funding, or Independent Living funding.

Table 9: Actual and Projected Title IV-E Expenditures by State Fiscal Year				
	FCM 1% Red	FCACP 4% Inc	FCAE 10.6% Inc	Total
SFY07	19,080,279	31,971,425	983,363	52,035,067
SFY08	19,202,680	26,040,870	870,440	46,113,990
SFY09	17,175,087	24,098,394	1,029,335	42,302,816
SFY10	17,409,469	25,033,030	1,315,544	43,758,043
SFY11	16,823,734	26,057,262	1,229,845	44,110,841
SFY12 (projected)	16,655,514	27,095,636	1,360,767	45,111,917
SFY13 (projected)	16,488,975	28,175,389	1,505,627	46,169,991
SFY14 (projected)	16,324,102	29,298,169	1,665,908	47,288,179
SFY15 (projected)	16,160,877	30,465,692	1,843,251	48,469,821
SFY16 (projected)	15,999,285	31,679,741	2,039,474	49,718,499
SFY17 (projected)	15,839,308	32,942,169	2,256,585	51,038,061

The annual expenditures used for these projections exclude ARRA funding provided to the states. Based on these projections, Title IV-E costs are estimated to increase from \$46.1 million in FY 2013 up to \$51.0 million in FY 2017 (the anticipated end of the project).

CDHS anticipates incurring developmental costs to prepare for waiver implementation at the State and county levels, and will also incur ongoing costs for the waiver evaluation. CDHS assumes that these costs will be held outside the waiver and will be reimbursed at the current Title IV-E administrative rate.

Colorado will measure and ensure Federal cost-neutrality through the quarterly claiming report, CB-496, as well as other reporting systems, such as our SACWIS, Trails.

5.3 Recent investments in service interventions to be included under the waiver

For the past two years, Colorado has implemented Differential Response in five counties with the resources from the National Quality Improvement Center on Differential Response.

Additionally, Colorado has implemented the Colorado Practice Model with the assistance of the Mountain and Plains Child Welfare Implementation Center. Colorado has not directed any significant additional State funding to the implementation of either of the initiatives other than staff time and travel.

Information is not available that can detail the amount spent and funding source other than at the aggregate level. Both of the federal funding sources will be exhausted in the coming year. Additional state resources are not planned to be directed to these two initiatives other than staff technical assistance and travel.

5.4 Other Requirements

Related projects underway in Colorado: Beyond the initiatives described in this application, Colorado does not have related projects underway that have no federal involvement.

Expected impact of the waiver on SACWIS: Colorado may need to modify reports that come from our Trails system, in order to provide more comprehensive data to track cost neutrality. There also may be need to expand the system to include data related to child well-being.

Court orders facing Colorado related to failure to comply with laws: Colorado is not under any court orders for failure to comply with federal law.

Health insurance under IV-E: Colorado children who are placed in out-of-home foster care are provided health insurance, either through their parents' coverage or through Medicaid. For the few children who do not have insurance through their parents' coverage and who are not Medicaid eligible or for children who are undocumented, county departments purchase child specific health insurance.

6. PUBLIC INPUT

CDHS has engaged a wide range of stakeholders in the development of this waiver application and will continue to do so. In developing the core concepts of the waiver application, CDHS has consulted closely with the County Human Services Directors Association, composed of the directors overseeing child welfare and behavioral health activities in each county. Additionally, Colorado Counties, Inc. (comprised of elected county officials), the Governor's Office of State Planning and Budget, and the Joint Budget Committee of Colorado's General Assembly have been provided information and offered the opportunity for input on the waiver. Many key stakeholders such as judges, CASAs and Guardians Ad Litem were given information at the recent Colorado Summit in May.

6.1 Interagency Cooperation

All aspects of the waiver application, content and process have been and will continue to be vetted with various county groups to assure the necessary support to implement the waiver.

Judicial cooperation is anticipated through the Court Improvement Process and specific judicial district cooperation will be secured on an initiative basis. Tribal support will be secured on as needed basis.

Formal agreements related to the IV-E Waiver Implementation are not currently in place. Local agreements are made as a part of Differential Response and formal Memorandums of Understandings exist for Collaborative Management Programs.

6.2 Process to get Public Input

To date, public input has been obtained from the following key groups of stakeholders:

- The Child Welfare Policy Advisory Committee comprised of county human services directors representing six regions across the state, all of the Office Directors of CDHS, and the Director of Medicaid from the Colorado Department of Health Care Policy and Financing;
- The Child Welfare Sub-Policy Advisory Committee which is comprised of county directors and child welfare administrators from the six regions across the state and representatives of youth corrections, mental health, substance abuse, child care, developmental disability, field administration, and child welfare from CDHS;
- The County Human Services Directors Association;

Broader public input on this application will be obtained in multiple ways including routine updates and information sharing with the groups noted above as well as:

- The Child Welfare Executive Leadership Council, headed by Executive Director Reggie Bicha and including representatives of the Rocky Mountain Law Center, Office of the Child’s Representatives, Parents, Youth, County Commissioners, County Directors, Colorado State Foster Parent Association and others;
- The State Steering Committee of the Collaborative Management Program, comprised of representatives from Family Voice and Choice, Federation of Families, State Judicial, Probation, Public Health and Environment, Health Care Policy and Financing, Behavioral Health Organizations, Domestic Violence Providers, Youth Corrections, OMNI (Program Evaluator) and Collaborative Management Program Coordinators;
- The Project Operations and Implementation Team, the oversight group for the implementation of the Colorado Practice Model;
- The Behavioral Health Transformation Council;
- The Trauma- Informed Systems of Care Design and Implementation Committee; and
- The State Board of Human Services.

6.3 Connection to Other Federal Initiatives

CDHS currently participates in three federal initiatives, which will be connected to the proposed waiver demonstration. These interconnections are expected to be beneficial to both the implementation of the waiver and the continued operation of each of the existing initiatives. The three activities include:

- (2011-2013) “PIECES”: Child Welfare -- Early Education Partnerships to Expand Protective Factors for Children with Child Welfare Involvement
- (2010-2013) “DR”: Request for Applications for Research and Demonstration: National Quality Improvement Center on Differential Response in Child Protective Services
- “Communities of Excellence”: Planning Grants for Expansion of the Comprehensive Community Mental Health Services for Children and their Families (Short Title: System of Care Expansion Planning Grants)