

The Senate Health and Human Services Committee offered the following substitute to SB 350:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 2 of Title 49 of the Official Code of Georgia Annotated, relating to the  
2 Department of Human Services, so as to provide for the bidding out of child welfare services  
3 state wide through contracts with community based providers; to provide for definitions; to  
4 provide for qualifications for contractors; to provide for contract standards; to provide for a  
5 review; to provide for procedures; to provide for related matters; to provide for a contingent  
6 effective date; to provide for an effective date; to repeal conflicting laws; and for other  
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Chapter 2 of Title 49 of the Official Code of Georgia Annotated, relating to the Department  
11 of Human Services, is amended by adding a new article to read as follows:

12 "ARTICLE 3

13 49-2-30.

14 (a) As used in this article, the term:

15 (1) 'Applicant' means a faith based or community based organization that seeks to  
16 provide child welfare services under this article.

17 (2) 'Child welfare services' means adoption, family preservation, independent living,  
18 emergency shelter, residential group care, foster care, therapeutic foster care, intensive  
19 residential treatment, foster care supervision, case management, post-placement  
20 supervision, permanent foster care, and family reunification.

21 (3) 'Division' means the Division of Family and Children Services.

22 (4) 'Lead agency' means a faith based or community based agency selected under this  
23 article to manage and provide child welfare services.

24 (b) The division shall submit a plan to the Governor and General Assembly to  
25 competitively bid the provision of child welfare services through fixed price contracts with  
26 a limited number of lead agencies. Each lead agency shall represent a community equal  
27 to one or more service regions of the division. The plan shall be developed with local  
28 community participation, including, but not limited to, input from community based  
29 providers, foster parents, members of the faith community, adults who were provided care  
30 in Georgia's foster care system, and child advocacy organizations that are currently under  
31 contract with the division to furnish foster care and adoption services.

32 (c) The plan shall be submitted by January 1, 2015, and shall be phased in over a two-year  
33 period beginning July 1, 2015.

34 (d) No later than April 1, 2014, the division shall seek approval of a child welfare  
35 demonstration project through the federal Administration for Children and Families to  
36 implement and receive fixed funding to accomplish the purposes of this article.

37 49-2-31.

38 (a) To qualify to seek a contract under this article, an applicant shall have:

39 (1) The ability to manage and directly provide, and contract for through a local network  
40 of providers, all necessary child welfare services. The lead agency shall directly provide  
41 no more than 35 percent of all child welfare services provided in the region;

42 (2) The ability to ensure continuity of care from entry to exit for all children referred  
43 from the protective investigation and court systems;

44 (3) The capability and willingness to accept and demonstrate accountability for meeting  
45 the outcomes and performance standards related to child welfare services established by  
46 the General Assembly;

47 (4) The capability and willingness to serve all children referred from the protective  
48 investigation and court systems;

49 (5) The willingness to ensure that each individual who provides child welfare services  
50 completes the training required by the division;

51 (6) The ability to assist the division in maintaining the state's eligibility to receive all  
52 federal child welfare funds currently being used by the division; and

53 (7) The ability to ensure, directly or through contracts and collaboration with appropriate  
54 entities, that children served by the lead agency receive all services necessary to the  
55 child's health, well-being, and safety.

56 (b) Such contract shall be for five years, after which the division shall competitively rebid  
57 the contract. The division may extend the contract for an additional three-year period.

58 49-2-32.

59 (a) The contract between the division and lead agencies shall require the following:

60 (1) Recording of lead agency activities in client case records for all cases;

61 (2) Use of procedures by the parties to resolve differences in interpreting the contract or  
62 to resolve disputes as to the adequacy of the parties' compliance with their respective  
63 obligations under the contract;

64 (3) Payment by the division to the lead agency of a reasonable monthly administrative  
65 rate to operate the lead agency and a case rate per child calculated as the monthly average  
66 number of children served in the prior fiscal year divided by the total appropriated funds  
67 allocated for child welfare services during the same fiscal year. The case rate shall be  
68 paid in equal monthly payments over a period of time no greater than six months, starting  
69 the month the lead agency takes the child into care. Children who return to the lead  
70 agency for foster care within 12 months of achieving permanency, either through  
71 reunification, permanent guardianship, or adoption, shall be served by the lead agency  
72 but shall not be eligible for the rate per child per month reimbursement. The method of  
73 payment in the contract shall provide for a two-month advance payment of the monthly  
74 administrative rate at the beginning of each fiscal year and equal monthly payments  
75 thereafter;

76 (4) Adherence to nationally recognized child welfare performance outcome measures;

77 (5) Inclusion of a case transfer process to determine the date that the lead agency will  
78 initiate services for a child and family. At the point of case transfer, the division shall  
79 provide a complete summary of its involvement with the child to include the reasons for  
80 referral to the lead agency; and

81 (6) Authorization for the lead agency or a lead agency subcontractor with case  
82 management responsibilities to act as the child's guardian for the purposes of enrolling  
83 in school and seeking emergency medical treatment for a child who has been sheltered  
84 or found to be dependent; provided, however, that if the child's parent's rights have been  
85 terminated, such lead agency or lead agency subcontractor shall act as the guardian of the  
86 child in all circumstances.

87 (b) In contracting for the delivery of child welfare services, the division shall retain  
88 responsibility for the quality of contracted services and programs and shall ensure that  
89 services are delivered in accordance with applicable federal and state statutes and  
90 regulations. The department shall provide for uniform lead agency contracts and may  
91 encourage lead agencies to use uniform subcontracts.

92 (c) The division shall adopt written policies and procedures for monitoring the contract for  
93 delivery of services by lead agencies. Such policies and procedures shall address, at a  
94 minimum, the following:

95 (1) Evaluation of fiscal accountability and program operations, including lead agency  
 96 achievement of performance standards, lead agency monitoring of subcontractors, and  
 97 timely follow-up of corrective actions for significant monitoring findings related to lead  
 98 agencies and subcontractors;

99 (2) Reduction of the duplication of the division's program monitoring activities both  
 100 internally and with other agencies, to the extent possible; and

101 (3) Communication of the written findings, conclusions, and recommendations from  
 102 monitoring the contract for services of lead community based providers to the director  
 103 of the lead agency, as expeditiously as possible.

104 (d) Persons employed by the division in the provision of child welfare services whose  
 105 positions are being privatized under this article shall be given hiring preference by the lead  
 106 agency if the employee meets the lead agency's qualifications.

107 49-2-33.

108 (a) The division shall not transfer services to a lead agency until the division, in  
 109 consultation with the local community, has determined and certified in writing to the  
 110 Governor and General Assembly that the lead agency is prepared to deliver and be  
 111 accountable for such services. In making such determination, the division shall conduct  
 112 a readiness assessment of the region and lead agency. The assessment shall evaluate the  
 113 operational readiness of the region and lead agency based on:

114 (1) A set of uniform criteria developed in consultation with currently operating faith  
 115 based and community based organizations and reflecting national accreditation standards,  
 116 which evaluate programmatic, financial, technical assistance, training, and organizational  
 117 competencies; and

118 (2) Criteria reflective of the priorities of the local community.

119 (b) A joint team of region and lead agency staff with direct experience with the start up  
 120 and operation of a community based service program and representatives from the  
 121 appropriate local community shall conduct the readiness assessment.

122 (c) Upon completion of a readiness assessment, the assessment team shall conduct an exit  
 123 conference with the region and lead agency staff responsible for the transition.

124 (d) Within 30 days following the exit conference with staff of each region and lead agency,  
 125 the division shall certify in writing to the Governor and General Assembly that both the  
 126 region and lead agency are prepared to begin the transition of service provision based on  
 127 the results of the readiness assessment and exit conference. The document of certification  
 128 shall include specific evidence of readiness on each element of the readiness instrument  
 129 utilized by the assessment team as well as a description of each element of readiness  
 130 needing improvement and strategies being implemented to address each such element.

131 (e) The Department of Audits and Accounts, in consultation with experts, shall review and  
132 assess the division's process for determining region and lead agency readiness. The review  
133 shall, at a minimum, address the appropriateness of the readiness criteria and instruments  
134 applied, the appropriateness of the qualifications of participants on each assessment team,  
135 the degree to which the division accurately determined each region and lead agency's  
136 compliance with the readiness criteria, the quality of the technical assistance provided by  
137 the division to a lead agency in correcting any weaknesses identified in the readiness  
138 assessment, and the degree to which each lead agency overcame any identified weaknesses.

139 (f) Reports of such reviews shall be submitted to the General Assembly on January 1 and  
140 July 1 of each year until full transition to community based care has been accomplished  
141 state wide, beginning on January 1, 2016. The perspectives of all participants in the review  
142 process shall be included in each report. Within the review, the Department of Audits and  
143 Accounts shall allow each lead agency to submit for inclusion responses to findings.

144 (g) In communities where economic or demographic constraints make it impossible or not  
145 feasible to competitively contract with a lead agency, the department shall develop an  
146 alternative plan in collaboration with the local community alliance, which may include  
147 establishing innovative geographical configurations or consortia of agencies. The plan must  
148 detail how the community will continue to implement community-based care through  
149 competitively procuring either the specific components of foster care and related services  
150 or comprehensive services for defined eligible populations of children and families from  
151 qualified licensed agencies as part of its efforts to develop the local capacity for a  
152 community-based system of coordinated care. The plan must ensure local control over the  
153 management and administration of the service provision in accordance with the intent of  
154 this subsection and may include recognized best business practices, including some form  
155 of public or private partnerships.

156 49-2-34.

157 (a) The division, in consultation with the lead agencies, shall establish a quality assurance  
158 program for competitively bid services. The quality assurance program shall be based on  
159 nationally recognized standards.

160 (b) The division shall report to the public on a monthly basis each lead agency's  
161 performance on federal outcome measures and outcome measures established by the  
162 General Assembly. In addition, the report shall include data on the number of families  
163 served by the lead agencies in prevention programs, education outcomes of students in  
164 foster care, and key health measures for children in foster care. The report shall be made  
165 available, at a minimum, in a conspicuous location on the division's website.

166 (c) The division shall, to the extent possible, use independent financial audits provided by  
 167 the lead agency to eliminate or reduce the ongoing contract and administrative reviews  
 168 conducted by the division. If the division determines that such independent financial audits  
 169 are inadequate, other audits may be conducted as necessary by the division. Nothing in this  
 170 article shall abrogate the requirements of Chapter 20 of Title 50.

171 (d) The division may competitively bid programmatic, administrative, or fiscal oversight  
 172 of lead agencies. The division shall accept the findings of existing evaluations, reports, and  
 173 assessments provided by accrediting entities in lieu of requiring a state assessment if such  
 174 assessments did not find any significant issues.

175 (e) The division shall submit an annual report regarding quality performance, outcome  
 176 measure attainment, and cost efficiency to the Governor and General Assembly no later  
 177 than January 31 of each year for each lead agency in operation during the preceding fiscal  
 178 year. The division shall allow lead agencies to submit comments for inclusion into such  
 179 report regarding the findings and recommendations contained in the report.

180 (f) Lead agencies shall be permitted to submit all programmatic, administrative, and fiscal  
 181 materials in digital format.

182 49-2-35.

183 This article shall become effective only if the Administration for Children and Families of  
 184 the United States Department of Health and Human Services approves a federal title IV-E  
 185 waiver demonstration project and the resulting fixed funding is received for the purposes  
 186 of this article. If such approval and funding is received, then this article shall become  
 187 effective on the date on which such approval and funding becomes effective."

188 **SECTION 2.**

189 This Act shall become effective upon its approval by the Governor or upon its becoming law  
 190 without such approval.

191 **SECTION 3.**

192 All laws and parts of laws in conflict with this Act are repealed.