

State of Arizona
Office
of the
Auditor General

PERFORMANCE AUDIT

**FAMILY BUILDERS
PILOT PROGRAM**

Report to the Arizona Legislature
By Debra K. Davenport
Auditor General

March 2000
Report No. 00-4

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

March 21, 2000

Members of the Legislature

The Honorable Jane Dee Hull, Governor

Mr. John Clayton, Director
Department of Economic Security

Transmitted herewith is a report of the Auditor General, an evaluation of the Family Builders Pilot Program. This evaluation was conducted pursuant to the provisions of Laws 1997, Ch. 223, §3. I am also transmitting a copy of the Report Highlights to provide a quick summary for your convenience.

As outlined in its response, although the agency does not agree with all of the findings, it has agreed to implement all of the recommendations.

My staff and I will be pleased to discuss or clarify items in the report.

This report will be released to the public on March 22, 2000.

Sincerely,

A handwritten signature in black ink that reads "Debbie Davenport".

Debbie Davenport
Auditor General

Enclosure

SUMMARY

The Office of the Auditor General has completed an evaluation of the Family Builders Pilot Program. This evaluation was conducted pursuant to the provisions of Laws 1997, Ch. 223, §3, and provides information regarding the Pilot Program's implementation and effectiveness in achieving its goals.

CPS refers potential- and low-risk reports to Family Builders.

The goal of the Family Builders Pilot Program is to enhance parents' ability to create safe, stable, and nurturing home environments that promote safety of all family members and healthy child development. It is accomplished by responding to potential- and low-risk reports of child abuse and neglect using a network of community-based providers. Specifically, the Child Protective Services (CPS) Division of the Department of Economic Security refers potential- and low-risk reports of child abuse and neglect to community-based Family Builders providers. Providers offer services aimed at reducing the problems contributing to the potential for abuse or neglect, such as parenting skills training, counseling, housing search and relocation, transportation, childcare, and emergency services. Participation in the program is voluntary. Most families participate for four to six months.

The Arizona Department of Economic Security is responsible for administering the Family Builders Pilot Program. To do this, DES contracts with eight community-based social service agencies in Maricopa and Pima Counties to provide services to families. Providers are paid a capitated rate for completion at each of three service delivery stages: referral, assessment, and service plan.

A total of 8,335 families were referred to Family Builders providers from January 1, 1998 through July 31, 1999. Of these referrals, 5,578 families declined services; 2,757 families received an assessment; and 2,326 families continued on to complete a service plan and receive services.

**Family Builders Unable to Show
Impact on Child Safety
at This Time
(See pages 13 through 17)**

At this time, the Family Builders Pilot Program does not show an effect on increasing children’s safety in their homes. As shown in Table 1, there was no meaningful difference between the proportion of Pilot Program families who received CPS reports alleging child abuse or neglect subsequent to their involvement in the program and the proportion of comparison group families who later received CPS reports. One comparison group is comprised of families who were referred to, but did not receive, Family Builders services, for reasons such as they refused services, did not need services, could not be located, or were referred back to CPS. The other group consists of families who received DES investigations because the program was not available in the county where they live. In addition,

Table 1
Family Builders Pilot Program
Comparison of Percentage of Families with Subsequent CPS Reports
Family Builders Participants vs. Comparison Group Families
January 1, 1998 through June 30, 1999

Group	Percentage of Families with Subsequent Reports¹	
	All CPS Reports²	Substantiated CPS Reports Only
Family Builders families	31.9%	6.5%
Families referred to, but not receiving, Family Builders services ³	24.2	5.7
Families outside Family Builders service area	28.5	6.6

¹ Statistical tests were conducted to determine whether there was a meaningful difference in the proportion of Family Builders participants compared to the proportion of comparison group families with subsequent CPS reports of child abuse and neglect. Those tests are described in the Appendix, pages a-iii through a-v, and suggest that any observed differences are due to chance.

² Includes alleged and substantiated CPS reports.

³ These families were referred to the Family Builders program, but did not sign a service plan because they either refused services, did not need services, could not be located, or were referred to CPS. Some of these families did participate in an assessment.

Source: Office of the Auditor General staff analysis of Child Protective Services data from January 1, 1998 through June 30, 1999.

there was no difference in the proportion of families who received subsequent reports where CPS substantiated that instances of abuse or neglect occurred. Furthermore, incomplete or inaccurate information about families served by the program limits the ability to explain the underlying reasons for these results. However, families who accepted services from the Pilot Program experienced a slight but statistically significant decrease in the risk for child abuse and neglect, as measured by one instrument, the Family Risk Scale, completed by the Family Builders specialist. Another scale measuring families' perception of their risk for abuse or neglect could not be analyzed because the providers did not collect enough self-assessments from Pilot Program families.

**DES Needs to Examine Costs
and Number of
Services Delivered
(See pages 19 through 27)**

Incomplete data limits the ability to determine whether rates are appropriate and all services are delivered.

DES currently lacks the necessary information to determine if providers are delivering adequate services and are being paid at appropriate rates. There are indications that the rates paid to many providers may be higher than the costs of the services provided. A review of 80 randomly selected cases found that the capitated payment rate exceeds providers' actual costs by an average of \$1,700 per family served. There are also indications that clients may not be receiving many of the services identified as necessary to meet their needs. In the same review of case files, evaluators found that providers did not meet 42 percent of the families' service needs. In almost half of those cases, services were not provided because the family failed to follow through with the referral.

Incomplete data limits DES' ability to make informed judgments about whether rates are appropriate or services are actually provided. When checked against the records in the DES database, 93 percent of the cases contained inaccurate information regarding the type, number, or cost of services delivered. As a result, DES needs to improve the quality and completeness of program information and use it to determine the appropriateness of funding and service delivery rates.

DES Should Improve Program Oversight to Ensure All Requirements Are Met (See pages 29 through 33)

In many cases, basic information is inaccurate or unknown.

DES is not performing adequate oversight to ensure that providers meet several requirements of the Pilot Program. In many cases, basic demographic information about participants is inaccurate or unknown. In 68 out of 80 cases reviewed, providers failed to collect or accurately report demographic information about families being served by the program. Omissions and errors occur, in part, because until June 1999 providers were not required to update demographic information after the completion of assessments, when much of the demographic information becomes available. Further, until February 2000, DES was not aware that it was not receiving updated information contained in the provider databases. In other cases, providers have failed to collect or document required demographic information in either the client file or the program database. In those cases, the lack of information appears to be an oversight on the part of the worker completing the assessment. DES has addressed these issues through training and modification of required forms. These efforts should be increased to ensure important program data is collected.

Providers have also not obtained the Brief Family Assessment Scale from most of the families in the program. Specifically, providers obtained only 49 intake and exit assessment forms from 692 families served by the program. As the assessments are useful in both case planning and program evaluation, DES needs to better monitor provider collection and use of the risk assessment and provide additional training as needed.

Finally, Local Advisory Boards, which are required under the statute, are not fulfilling all of their statutory responsibilities. The meeting minutes from all Local Advisory Boards indicated that service continuity has not been consistently addressed, that some boards need to improve their oversight of program operations, and that Board representation from both families and public agencies in the community is difficult to attract and retain.

Statutory Evaluation Components (See pages 35 through 46)

CPS reports have also declined in counties without the program.

Pursuant to Laws 1997, Ch. 223, §3, the Office of the Auditor General is required to measure the program's effect in reducing the number of reports to Child Protective Services, the number of investigations conducted by Child Protective Services, and the number of children placed outside of the home. Although the number of reports CPS received has declined since the Pilot Program's implementation, the effect cannot be attributed to the Pilot Program since the report rate has declined at the same or greater level in counties that did not have the Family Builders Program.

The number of investigations performed by CPS has also declined. There are at least two explanations for the decrease in CPS investigations. First, all reports referred to the Family Builders Program no longer require a CPS investigation. Second, the overall decline in reports CPS received results in fewer investigations.

Further, the number of out-of-home placements statewide has increased over the last three fiscal years with the major portion of the increase occurring within the first two years. However, the percentage of Pilot Program families who later had a child removed from the home did not differ from that of families who were referred to, but did not receive, program services.

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INTRODUCTION AND BACKGROUND

The Office of the Auditor General has completed an evaluation of the Family Builders Pilot Program. This evaluation was conducted pursuant to the provisions of Laws 1997, Ch. 223, §3. This report provides information regarding the Pilot Program's implementation and effectiveness in achieving its goals.

Child Maltreatment Report Rate Increases Beyond CPS Resources

In 1997, 5,899 CPS reports
went uninvestigated.

During fiscal year 1997, the Arizona Department of Economic Security (DES), Division of Child Protective Services (CPS) experienced a 34 percent increase in child abuse and neglect reports with no correspondent increase in staffing. By the end of fiscal year 1997, 5,899 reports were uninvestigated. Though CPS investigated high- and moderate-risk reports, low- and potential-risk reports received in Maricopa and Pima Counties were often uninvestigated. At the same time, concerns expressed by children's advocates indicated the need to provide more early intervention services to families. According to national statistics, 41 percent of the children who died from child maltreatment are from families who had prior or current contact with Child Protective Service agencies at the time of the child's death.¹

Family Builders Emphasizes Communities and Families in Solutions

To address the backlog of uninvestigated reports and prevent child abuse and neglect, the Legislature and DES developed the Family Builders Pilot Program. The program's underlying principle is that families coming to the attention of DES have different intervention

¹ Prevent Child Abuse America. Child Abuse and Neglect Statistics. (April 1998). Web site: <http://www.childabuse.org/facts97.html>. [July 30, 1999].

Child safety remains a priority.

needs and require flexible responses from DES and the community in order to protect children and meet the family's needs. While the serious nature of moderate- to high-risk reports often requires a CPS investigation that could lead to further intervention, low- and potential-risk reports can be approached in a positive and supportive manner, with needed treatment and other services provided immediately without the trauma, stigma, and delay of the investigative process. Child safety remains a priority, however. If the child's safety is in jeopardy or other information surfaces that would make an investigation appropriate, Family Builders cases must be referred back to CPS, the appropriate law enforcement agency, or both.

The Family Builders Pilot Program highlights the role of families and communities by recognizing, accepting, and respecting the interdependence and cultural diversity of the family and community in problem-solving. The Family Builders philosophy includes the following key components:

- Families are treated as partners with the provider agency in the problem-solving process;
- Services focus on the family's strengths rather than their problems;
- Providers assist families in building support networks to reduce reliance on formal support systems;
- Providers listen to all family members' concerns, help them refine those concerns, and assist families in establishing their own goals for change;
- Services are accessible, available, and culturally sensitive; and
- Services are terminated when goals are achieved.

The approach is supported by research showing that child abuse and neglect are related to the stresses of poverty or social disadvantages, diminished social resources to manage those stresses, and parenting practices. By identifying the family's strengths and providing services that use those strengths to minimize stresses, the

family gains empowerment and self-sufficiency. Therefore, it is believed that families will be less likely to have subsequent, more serious reports of abuse or neglect.

Because of the program's new approach, DES received the Council of State Governments' 1999 Western Regional Innovations Award for the Family Builders program.

Family Builders: How It Operates

The Legislature established the Family Builders Pilot Program for Maricopa and Pima Counties through Laws 1997, Ch. 223, §2. The goal is to enhance parents' ability to create safe, stable, and nurturing home environments that promote safety of all family members and healthy child development. The Pilot Program has been in existence for two years. Unless the Legislature acts to continue the program, it will be repealed on June 30, 2000.

The Pilot Program operates by responding to potential- and low-risk reports of child abuse and neglect using a network of community-based providers. The central CPS hotline receives all reports of child abuse or neglect and prioritizes them into one of four categories, ranging from potential to high risk. All moderate- and high-risk reports, as well as any report that includes allegations of sexual abuse, are automatically referred to a CPS investigator. Reports considered low or potential risk that are received in Maricopa or Pima County go to a Family Builders coordinator at CPS, who decides whether the report should be assigned for an investigation or referred to a Family Builders provider.

Reports must be classified as a low or potential risk of abuse or neglect to be eligible.

DES developed an eligibility and referral process to meet legislative requirements. Foremost, the report must be classified as a low or potential risk of abuse or neglect to be eligible for Family Builders. In addition, a report classified low or potential risk with any of the following characteristics is automatically disqualified from the Family Builders program:

- Allegation of sexual abuse;
- Allegation of current injuries;

Introduction and Background

- Allegation involving a child that the court has found to be a ward of the State due to the child's incompetence or inability to be restored to competency;
- Allegation concerning a child currently in an out-of-home placement;
- Allegation in which an immediate out-of-home placement is required;
- Allegation regarding a parent under the age of 18 who is residing with his or her parents as defined by the Family Assistance Administration;
- New report on a family that has an existing open case with CPS; and
- Court-ordered investigation.

In addition, Family Builders coordinators review each report before referring it to the Pilot Program to ensure that there are no aggravating factors that indicate a CPS investigation should be completed.

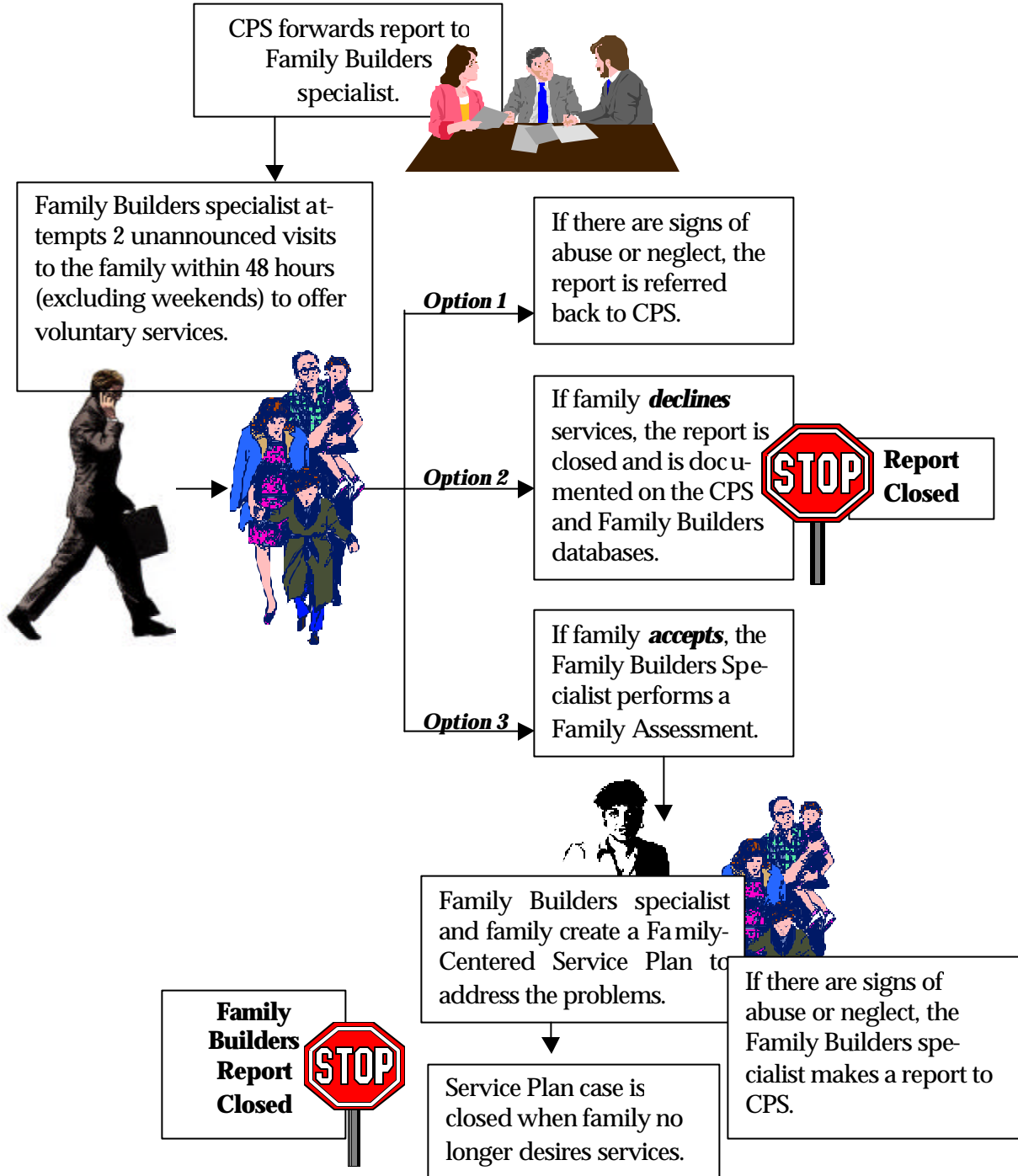
If the report is determined eligible for the Family Builders program, the CPS Family Builders coordinator faxes the report to the provider responsible for the area where the family lives. CPS closes all reports that are referred to Family Builders and notes that the report was referred to the program without a CPS investigation. A record of the report is maintained for at least five years, as are unsubstantiated reports investigated by CPS. Family Builders specialists do not conduct investigations, but they do respond to all referrals and assess the safety of all children in the home. In addition, they are required to refer cases back to CPS if there are signs of abuse or neglect.

Upon receipt of the referral, the Family Builders specialist, as a member of the provider staff, begins the process of providing services to the family as illustrated in Figure 1 (see page 5). The Family Builders specialist informs the family that CPS received a report about them and that CPS has referred the report to the Family Builders provider to offer voluntary services to the family. If the family agrees to accept services, the Family Builders specialist conducts an assessment to identify the family's strengths and any areas that the family would

CPS closes all reports that are referred to Family Builders.

Figure 1

Family Builders Pilot Program Process



Source: Auditor General staff analysis of Family Builders training material for policy and procedures.

like to improve. Clients can then choose to participate in developing a service plan. This process allows the client to specify and accomplish small tasks; experience the success; and build the confidence and skills needed to accomplish other tasks. The development of a service plan is an ongoing process. The provider monitors the service plan's progress, conducts home visits to determine the safety of the children in the home at the time of the visit, and determines the need for continued services and contact with the family. Cases are closed at any point when the family decides to end contact with the program. The intent of the program is to close the case when the family completes all the tasks and goals they wanted to accomplish as identified in the service plan.

The Family Builders provider staff provides services based on the family's needs. Family Builders providers are required to develop local resources, which may be fee-for-service, contracts, or in-kind collaborations to offer a wide range of services to meet families' needs and are required to make available the following services, at a minimum:

- Family assessments
- Case management
- Parenting skills training
- Parent aide services
- Housing search and relocation
- Emergency services
- Supportive intervention/guidance counseling
- Intensive family preservation services in the form of crisis counseling and other emergency services
- Child daycare
- Transportation
- Respite services

■ Shelter services with parental consent

Families choose which services they want to receive; therefore, not all families receive each of the above services. A typical family receives between four to six months of case management, parent aide and/or counseling, and some emergency services, such as food, clothing, and rent or utilities assistance. However, some families received services for over a year depending on their individual needs.

Finally, providers were required to establish Local Advisory Boards. Both statute and provider contracts require that the Local Advisory Boards ensure services are available when they are needed, provide oversight to the program, and include representatives from families in the community and local public agencies, such as DES, schools, and the Arizona Health Care Cost Containment System.

Appropriations and Contracting

DES administers the Family Builders Pilot Program. The Legislature appropriated over \$12.4 million for fiscal years 1998 and 1999 for Family Builders implementation. However, during fiscal years 1998 and 1999, the Legislature reallocated approximately \$3.9 million of the original appropriations to other DES programs due to the Pilot Program's lack of expenditures. Therefore, the final appropriation for the Pilot Program was approximately \$8.5 million for fiscal years 1998 and 1999, as illustrated in Table 2 (see page 8). In addition to funding services for families, the appropriations specifically fund one full-time contract specialist and two full-time Family Builders Program specialists who are responsible for the Program's administrative tasks, including training provider staff, observing provider staff during home visits to clients, and conducting quarterly monitoring reviews of provider files. In addition, Family Builders program specialists conduct regular quarterly meetings with providers to discuss program updates and policy changes.

DES contracted with eight community-based social service agencies in Maricopa and Pima Counties to provide services to the families. Providers are paid a capitated rate (a set amount per service) for each of three service delivery stages. The Family Builders Pilot Program received 8,335 referrals between January 1, 1998, and July 31, 1999. Of those referrals, 5,578 (67 percent) families declined services

Twenty-eight percent of the families completed service plans to receive services.

Table 2

**Family Builders Pilot Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended or Ending June 30, 1998, 1999, and 2000
(Unaudited)**

	1998¹ (Actual)	1999 (Actual)	2000 (Estimated)
Revenues:			
State General Fund appropriations ²	<u>\$2,128,700</u>	<u>\$6,378,600</u>	<u>\$7,996,100</u>
Expenditures:			
Personal services and employee related	129,284	171,757	156,300
Travel, in-state		352	31,700
Aid to individuals ³	1,898,110	5,703,502	7,767,100
Other operating	<u>16,123</u>	<u>2,222</u>	<u>41,000</u>
Total expenditures	<u>2,043,517</u>	<u>5,877,833</u>	<u>7,996,100</u>
Excess of revenues over expenditures	85,183	500,767	
Fund balance, beginning of year	_____	<u>85,183</u>	<u>585,950</u>
Fund balance, end of year ⁴	<u>\$ 85,183</u>	<u>\$ 585,950</u>	<u>\$ 585,950</u>

¹ The Family Builders Pilot Program began in January 1998; therefore, the 1998 amounts are for only half of the fiscal year.

² Amounts shown are the final appropriations for the Family Builders Pilot Program. For 1998 and 1999, the Legislature reduced the original appropriation by \$2,277,900, and \$1,628,700, respectively, and re-allocated the monies to other Department of Economic Security programs.

³ Amounts shown are payments made to providers for services.

⁴ Fund balance may be reverted to the State General Fund if it is not used to pay claims that contracted vendors failed to file in prior years. The Department of Economic Security expects most of the fund balance to be used for such claims.

Source: Auditor General staff analysis of the Arizona Financial Information System *Status of Appropriations and Expenditures* report, *State of Arizona Appropriations Report*, and financial information provided by the Department of Economic Security for the years ended June 30, 1998 and 1999. The Department estimated the fiscal year 2000 financial information.

and 2,757 (33 percent) families received an assessment. Of those referred, 2,326 (28 percent) families completed a service plan to receive services. DES contracts were based on the assumption that approximately 75 percent of the families referred to providers would agree to having an assessment performed and that 30 percent of the families would have service plans completed. While most providers met the expectation for service plan engagement, no provider met the expectation for assessments. Table 3 presents the eight providers, their service area, and the number and percentage of clients completing each of the three stages of service delivery.

Table 3

**Family Builders Pilot Program
Providers, Service Areas, and Number and Percentage of Families Served by Stage
January 1, 1998 through July 31, 1999**

Provider	Service Area	Referrals Completed	Assessments Completed	Service Plans Completed
Arizona Baptist Children's Services	Northwestern Maricopa County	1,968	679 (35%)	623 (32%)
Arizona's Children Association	Southwestern Maricopa County	1,063	297 (28)	229 (22)
Arizona Partnership for Children	Southeastern Maricopa County and Northeastern Pima County	2,505	747 (30)	606 (24)
Black Family and Child Services	South-central Maricopa County	563	179 (32)	157 (28)
CARENOW	Northeastern Maricopa County	820	313 (38)	251 (31)
Child and Family Resources	Central Phoenix	319	112 (35)	106 (33)
Marana Unified School District	Northwestern Pima County	169	85 (50)	72 (43)
Our Town Family Center	Southeastern Pima County	<u>928</u>	<u>345</u> (37)	<u>282</u> (30)
Total		<u>8,335</u>	<u>2,757</u> (33%)	<u>2,326</u> (28%)

Source: Auditor General staff analysis of Family Builders provider contracts and the Family Builders program database records for January 1, 1998 to July 31, 1999.

DES has recently expanded the Family Builders program to an additional eight counties. The Pilot Program was implemented in Yavapai, Coconino, Navajo, and Apache Counties in October 1999. Graham, Greenlee, Cochise, and Santa Cruz counties implemented the Pilot Program in November 1999.

Scope and Methodology

To evaluate the Family Builders Pilot program, evaluation staff engaged in structured observations and conducted file reviews covering all providers. Office of the Auditor General evaluators also analyzed the measurements of risk and potential for child abuse at program entrance and exit as identified by Family Builders caseworkers. In addition, Family Builders participants' involvement with CPS was compared to the CPS involvement of other families who did not participate in the program.¹ Evaluators measured participants' child abuse report rates subsequent to program entry and compared these rates with those of nonparticipants.

- **Site Visits**—Evaluation staff visited each of the eight Family Builders providers. Site visits included accompanying staff on referral, assessment, service plan, and service delivery visits.
- **Document Reviews**—A review of 80 randomly selected open and closed cases, 10 from each provider, was conducted to document the accuracy of the database, to reconstruct costs, and to determine the amount and type of services delivered. Cases were selected from families who signed a service plan between October 1, 1998 and March 31, 1999. Meeting minutes of the Local Advisory Boards for each provider were reviewed from the beginning of the program to July 1999.
- **Assessment Tools**—Two assessment tools, the Family Risk Scale and the Brief Family Assessment Scale (BFAS), were used to collect information about the risk for child abuse and neglect from families who received services and whose cases were closed before July 31, 1999. Family Builders caseworkers completed the Family Risk Scale to measure their perception of the family's risk for child abuse and neglect based on parent-centered, child-centered, and economic-centered factors. Caseworkers began collecting the BFAS from families in October 1998 to measure the family's perception of their strengths, resources, and problem areas. The BFAS is a voluntary assessment and is not requested from families who cannot read, speak, or write in English. Both assessments should be completed immediately

¹ The unit of analysis in these cases is the primary caregiver. Therefore, the terms "Family Builders participants" and "Family Builders families" are used interchangeably.

following the intake assessment and again upon case closure. The Appendix (see pages a-i through a-iii) includes full descriptions of both tools.

- **Comparison Groups**—Evaluators collected and analyzed CPS involvement data on the Family Builders participants and two comparison groups who were eligible for, but not enrolled in, the program. The Family Builders group consisted of 1,254 families who accepted services between January 1, 1998 and December 31, 1998. The time period was selected to capture subsequent reports, if any, for a minimum of six months following families' involvement with the Pilot Program.
 - ✓ The first comparison group included 2,995 families who were referred to the Family Builders program in Maricopa and Pima Counties between January 1, 1998, and December 30, 1998, but did not sign a service plan to accept services. The families are similar to the participant group relative to the age of the primary caregiver. The average ages of the Family Builders and comparison group caregivers are 33.5 and 33.8, respectively. The comparison group has a statistically significant higher proportion of male caregivers (11.8 percent) than the Family Builders group (9.3 percent). Also, there are statistically significant differences in the ethnicity of the families in the comparison group and the Family Builders group. Specifically, the comparison group has a higher proportion of other/unknown ethnicity families, and fewer Hispanic families.
 - ✓ The second comparison group included 3,523 families served by DES in locations other than those where the program had been established. Because the Family Builders program was piloted in Maricopa and Pima Counties, the second comparison group is comprised of families in counties other than Maricopa and Pima. This group was selected from families reported to CPS between January 1, 1998 and December 31, 1998. Evaluators determined them to be eligible for Family Builders using the DES automatic disqualification criteria for referring families to the Pilot Program. There are several statistically significant differences in the background and demographic characteristics of the comparison group and the Family Builders group. First, the comparison group has more

male primary caregivers (20.8 percent) than the Family Builders group (9.3 percent). Second, the primary caregivers are slightly older; the average age of the primary caregiver is 35.5 in the comparison group, and 33.5 in the Family Builders group. Finally, the comparison group has higher proportions of White and American Indian families, and fewer Hispanic, Black, and other/unknown ethnicity families.

Evaluators analyzed the number of prior and subsequent CPS reports on the Family Builders participants and two comparison groups. In addition, the number of out-of-home placements for the Family Builders participants was compared with the proportion of out-of-home placements for the families who declined services from Family Builders, and the total number of out-of-home placements reported by CPS.

- **Findings**—The research results were used to develop findings and recommendations in the following four areas:
 - ✓ The need to continue and improve the collection of outcome data so that program impact can be determined;
 - ✓ The need to collect accurate service and cost data and establish rates that correctly reflect the cost of providing services;
 - ✓ The need to better monitor the collection of required program data; and
 - ✓ The need to improve the involvement of Local Advisory Boards in program oversight and direction.

Acknowledgements

The Auditor General and staff express appreciation to the Director of Economic Security, the staff of DES' Division of Children and Family Services, and the Family Builders program supervisors and staff for their cooperation and assistance throughout the evaluation.

FINDING I

FAMILY BUILDERS UNABLE TO SHOW IMPACT ON CHILD SAFETY AT THIS TIME

The Family Builders Pilot Program does not show evidence of increased child safety for participant families at this time. The proportion of Pilot participants who received a CPS report following their involvement with Family Builders is similar to the subsequent CPS report rate of both comparison groups' families. Although analysis of assessments completed by caseworkers at the start and end of program participation found that participant families exited the program with a somewhat lower risk for committing child abuse and neglect, no measurable impacts on child safety can be attributed to the decreased risk. Attempts to further evaluate these results through families' own assessments of their stress levels were unsuccessful because too few self-assessments had been completed.

CPS Involvement Is Similar for Program Participants and Comparison Group Families

Participant and comparison group families had similar rates of alleged and substantiated reports of child abuse and neglect following their initial report of child abuse or neglect, referred to hereafter as the "referring report." Specifically, there is no difference between the proportion of participant families who received reports of child abuse or neglect subsequent to the "referring report" and their involvement in Family Builders and the proportion of comparison group families who later received a report. Moreover, there was no difference between the proportion of families in the three groups who had subsequent substantiated CPS reports. In addition, incomplete and inaccurate information about families served by the program limits evaluators' ability to explain the underlying reasons for these results.

There is no difference in subsequent CPS report rates between program families and the comparison groups.

No meaningful difference in the proportion of participant and comparison group families with subsequent reports—The review of CPS report data from July 1, 1995, to June 30, 1999, found no meaningful difference between the proportion of participant families who received CPS reports after the receipt of the initial, referring report and the proportion of families from either comparison group who subsequently received reports (see Table 4, page 15). Specifically, 31.9 percent of participant families received one or more CPS reports after being referred to the Family Builders program. In comparison, 24.2 percent of families who were referred to the Pilot Program, but did not receive services, received one or more subsequent CPS reports of child abuse or neglect. Similarly, 28.5 percent of families served by DES in counties without the Family Builders Pilot Program had subsequent reports of child maltreatment.

In addition, when looking only at families who had no CPS reports prior to the referring report during this period, there is no meaningful difference between the proportion of Pilot Program families and the proportion of comparison families who had a subsequent report.

Participants have same rate of substantiated reports as comparison group families—Moreover, there is no significant difference between the proportion of participant families who have subsequent substantiated CPS reports and the proportion of families in either comparison group who later received a substantiated CPS report. As shown in Table 4 (see page 15), 6.5 percent of Family Builders participants have subsequent substantiated CPS reports compared with 5.7 percent of families who were referred to but did not receive program services and 6.6 percent of families served by DES outside the Family Builders service area.

When examining only those families with no reports prior to the referring report, there was no significant difference in the proportion of families who received substantiated reports subsequent to their involvement with Family Builders or, as in the case of comparison groups, to their initial, potentially referring report.

Limited ability to explain underlying reasons for these outcomes—In attempting to examine the underlying reasons for these outcomes, evaluators were hoping to use additional service and demographic information about participants to further explain them. Specifically, evaluators wanted to examine whether aspects such as length of

Finding I

time in program, types of services received, family's history of substance abuse and domestic violence, employment, income, health care status, education, and other factors, could possibly be useful in

Table 4
Family Builders Pilot Program
Comparison of Percentage of Families with Subsequent CPS Reports
Family Builders Participants vs. Comparison Group Families
Through June 30, 1999

Group	Percentage of Families with Subsequent Reports ¹	
	All CPS Reports ³	Substantiated CPS Reports Only
<i>All families</i>		
Family Builders families	31.9%	6.5%
Families referred to, but not receiving, Family Builders services ⁴	24.2	5.7
Families outside Family Builders service area	28.5	6.6
<i>Families without prior CPS Reports only²</i>		
Family Builders families	25.0	4.3
Families referred to, but not receiving, Family Builders services ⁴	17.9	3.5
Families outside Family Builders service area	23.6	5.1

¹ Statistical tests were conducted to determine whether there was a meaningful difference in the proportion of Family Builders participants compared to the proportion of comparison group families with subsequent CPS reports of child abuse and neglect. Those tests are described in the Appendix, pages a-iii through a-v, and suggest that any observed differences are due to chance.

² Families with no CPS reports prior to the one that was referred to the Pilot Program or selected for the comparison group.

³ Includes alleged and substantiated CPS reports.

⁴ These families were referred to the Family Builders program, but did not sign a service plan because they either refused services, did not need services, could not be located, or were referred back to CPS. Some of these families did participate in an assessment.

Source: Office of the Auditor General staff analysis of Child Protective Services data from July 1, 1995 through June 30, 1999.

explaining why there was no meaningful difference in the CPS involvement of pilot participants and the comparison group families. Evaluators were unable to examine these factors at this time

because of the problems associated with the Family Builders database. Much of the data was incomplete and, in many cases, inaccurate. (See Finding III, pages 29 through 33.)

Most Pilot Program Participants Begin with Low Risk for Abuse, but Still Show Some Improvement

The Family Risk Scale results indicated that families in the Pilot Program slightly reduced their risk for child abuse and neglect. Even though Pilot Program families began with scores reflecting a low risk for child abuse and neglect, risk assessments administered again at the end of the program showed they made some improvement after participating in the program. Unfortunately, too few families completed the Brief Family Assessment Scale, which could have allowed evaluators to better interpret the changes in family risk for child maltreatment.

Scores show a slight but statistically significant reduction in the risk for child abuse or neglect.

Family Risk Scale scores improved slightly—The Family Risk Scale assessment results indicate that program families experienced a slight but statistically significant decrease in risk in each of the three measured areas. Using the Family Risk Scale, the caseworker assessed the family's economic-centered, parent-centered, and child-centered risk for child maltreatment at program intake and exit. The assessment was conducted for 1,267 families. Numerous elements make up each of the three scales. Respective examples of each type of risk are financial problems, parent's use of physical punishment, and child's mental health. Caseworkers rated the family's risk on a scale that ranges from one to four, five, or six, depending on the scale. A one indicates adequate and low risk and higher numbers represent increasing degrees of inadequacy and risk. As shown in Table 5 (see page 17), families' risk declined in each of the three measured areas.

While the average reduction in risk is small, program participants' lower intake scores did not leave much room for improvement. On average, caseworkers assessed the intake risk of program families to be low on each of the individual dimensions that comprise the assessments' three scales. For example, of 26 elements, there was only one, financial problems, in which the participants received an average score above a 2 on a 6-point scale.

BFAS results are inconclusive—The BFAS results cannot be used to assess the outcomes for the entire program because they do not adequately represent those families who have been served by the program. The BFAS measures a family’s perception of stress and the resulting risk for child abuse and neglect in seven areas: personal stress, family support, economic stress, aggressive behavior, child problems, drug use, and alcohol use. Providers obtained pre- and post-assessments from only 49 of the 692 families who participated in the program (approximately 7 percent). Finding III (see pages 29 through 33) discusses the reasons for the low number of BFAS assessments and emphasizes the need to ensure a higher completion

Table 5

**Family Builders Pilot Program
Family Risk Scale at Entrance and Exit
Scores of Families with Closed Service Plan Cases
January 1, 1998 through July 31, 1999**

Risk Assessment Area	Average Risk Score		Change ¹
	Entrance	Exit	
Economic risk factors	1.61	1.40	-0.21
Parent-centered areas	1.71	1.60	-0.11
Child-centered areas	1.50	1.35	-0.15

¹ For all three risk areas, the reduction in risk is statistically significant at the p<.05 level. That is, the probability that the change in risk scores occurred by chance is less than 5 in 100.

Source: Auditor General staff analysis of pre and post scores on Family Risk Scales provided by Family Builders caseworkers.

rate of the assessments. For the few families who did complete the assessments, the differences between intake and exit scores were statistically significant for only two of the seven BFAS subscales (personal stress and economic stress). On both of these scales, the risk for child abuse and neglect decreased.

Recommendation

1. DES should ensure that accurate and complete program information, such as service delivery data, demographic data, and family risk assessments, is collected as specified in provider contracts, training, and existing forms, to ensure that program outcomes can be fully measured in the future.
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FINDING II

DES NEEDS TO EXAMINE COSTS AND NUMBER OF SERVICES DELIVERED

DES currently lacks the necessary information to determine if providers are delivering adequate services and are being paid at appropriate rates. Based on a review of 50 families who signed a service plan, there are indications that the rates being paid to many providers may be higher than the costs of the services provided, and there are also indications that many clients may not be receiving the level of services they need. However, problems with the quality and completeness of service and billing data limit the ability to make informed judgments about whether rates and service levels are appropriate. DES needs to improve the quality and completeness of this information and use it to determine if program funding or service levels should be changed.

DES Had to Set Capitated Rates with Minimal Knowledge of What Services Would Cost

Because the Pilot Program was new and the costs unknown, DES set the maximum rate for services based on an evaluation of the cost to serve families through another DES program, the Family Preservation Program. The Family Preservation Program delivers services similar to those required by the Family Builders program and has a per-child cost of \$1,483, according to DES estimates. Based on an estimate of 2.4 children per household and additional referral and assessment costs, the Pilot Program rate was set at a maximum of \$3,850 per family. This rate is divided into three components, one for each stage of service delivery: referral, assessment, and service plan. Providers are paid the capitation rate for completing each of the three stages per client, regardless of the amount it costs them to perform those services.

The maximum rate for services was set at \$3,850 per family.

Capitated rates negotiated with the eight providers ranged from \$2,030 to the maximum of \$3,850. As a part of the bid process, providers proposed the amount it would cost to complete each of the

three stages of service delivery for families referred to them. DES published the maximum reimbursement rates for each service stage, and four of the eight providers submitted bids that were at the maximum. DES made the awards based on price and the quality and scope of the proposed service delivery.

Provider Costs Fall Short of DES Payment Rates

Reviews of 80 randomly selected cases found that the average documented cost to provide services is less than the amount DES paid for those services. Even when costs were close to the rates DES paid, the reason was often related to the internal cost the provider charged for the service, not to the number of services provided.

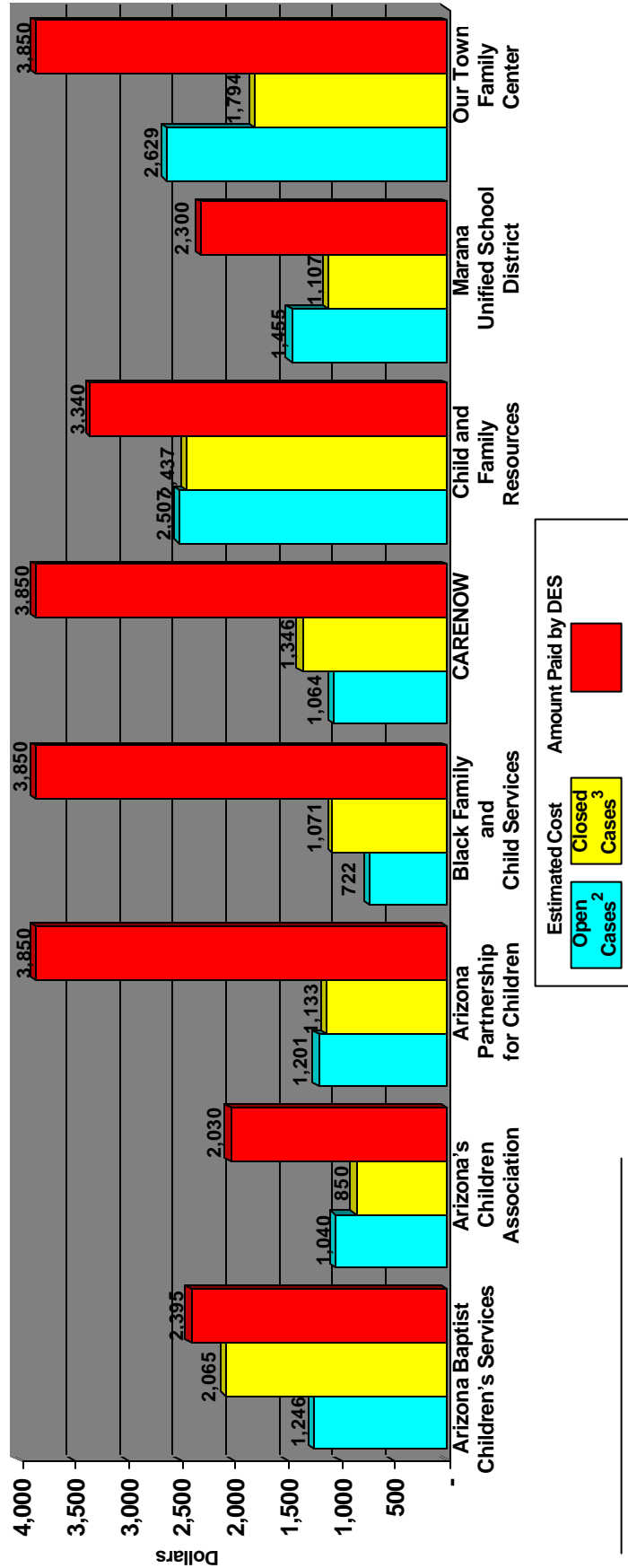
The average documented cost for providing services to the 80 cases sampled was between \$1,500 and \$1,850 less than the average capitated rate.

Average cost of services is less than capitated rate—Evaluation staffs' analysis showed that most providers' costs for serving clients were far below the capitated payments they received. Evaluation staff reviewed case notes, bills, receipts, and service authorizations from 80 cases randomly selected cases (ten from each of the eight providers) to determine the cost of services provided to those families. Overall, the average cost for providing services in the 80 cases reviewed was \$1,321 for closed cases and \$1,675 for open cases, which is between \$1,500 and \$1,850 less than the average capitated rate paid for those services.¹ The provider-by-provider average costs are shown in Figure 2 (see page 21).

The costs in Figure 2 (see page 21) were adjusted to include estimated referral and assessment costs, and a 10 percent factor for overhead. Evaluators also estimated the average costs for families who do not sign service plans to exceed provider payment rates by no more than \$90, on average.

¹ The estimated range for closed cases is \$1,089 to \$1,553 and for open cases is \$1,343 to \$2,008 (at a confidence level of 95 percent).

Figure 2
Family Builders Pilot Program
Estimated Average Cost for Providing Services¹
October 1998 through June 1999



¹ Open and closed cases were included in the review in order to account for the differences that result from open cases that may include longer engagement with clients. In addition, the cost associated with open cases may increase as services continue to be provided in the cases.

² Open cases were those receiving services at the time of the file review.

³ Closed cases were those no longer receiving services from the Family Builders program at the time of the review.

Source: Auditor General staff analysis of provider contracts and program costs documented in case files for 10 randomly selected cases from each of the 8 providers.

Differences in average costs do not necessarily represent differences in service levels—As Figure 2 (see page 21), shows, providers varied substantially in the degree to which their costs were close to or different from their capitated rates. Analysis of the documentation behind these costs showed that providers who had a much smaller gap between average costs and their capitation rates did not necessarily provide more services. In some cases, they simply listed much higher per-unit costs for the services they provided. Three of the eight providers stood out in that regard:

Some providers had much higher per-unit costs for services than other providers.

- ✓ The average cost for **Arizona Baptist Children’s Services** was strongly affected by one case in which the family counseling expense was \$3,440. In contrast, the highest average cost for counseling across all eight providers was \$284, and the next highest single case among the 80 cases analyzed was \$858. The billing for this case reflected a much higher per-session amount for counseling than any of the other cases examined.

- ✓ **Our Town Family Center** indicated that its case management costs averaged \$865 per case for case management and \$450-600 per case for assessments. By contrast, average costs reported by the seven other providers ranged from \$335 to \$706 for case management and from \$272 to \$352 for assessments.

- ✓ **Child and Family Resources**, during the months included in the review, charged a case management rate between \$138 and \$198 per hour, which is between \$75 and \$135 more per hour than the next highest case management rate billed by any other provider.

In most other respects, variations in average cost resulted largely from differences in amounts and types of services provided and from relatively small differences in associated rates. For example, both Arizona’s Children Association and Black Family and Child Services have lower case management rates than the other providers and had few requests for emergency services in the costly forms of rent assistance and utilities payments. Therefore, their average cost to provide services is lower than that of other providers.

Many Services Identified As Necessary Are Not Being Provided

One consideration in examining the differences between the capitated rates paid to providers and the costs incurred in providing services is whether the costs are low because needed services are not delivered. Analysis of the 80 cases shows services identified as necessary are often not provided. In all, 42 percent of the service needs identified during the assessment process were not provided. The reasons, to the extent they could be determined, are various and are often outside the providers' control.

Some of the requested services not received included parenting skills training, counseling, and transportation.

Forty-two percent of service needs not met—The 80 cases analyzed involved a total of 448 identified service needs, ranging from counseling and parenting skills training to relocation and shelter services. In all, 188 of the 448 identified service needs were not provided. In other words, 61 of the 80 families did not receive all of the requested services. They included services such as housing search and relocation, parenting skills training, counseling, transportation, and job search services.

Reasons include inaction from both the family and the provider—Families did not receive the requested services for a variety of reasons. The family failed to follow through in approximately 48 percent of the cases in which services were not provided.

Other reasons related more to problems in service delivery. For example, 7 percent of needed services were not provided due to unavailability and 11 percent were not provided because the provider either failed to follow through or made an inappropriate referral. An example of the latter reason would be referring the family to a service provider that the family had expressed dissatisfaction with in the past.

Additional reasons, such as the family no longer needing a service or the case remaining open, account for 13 percent of unprovided services. As discussed later, providers did not adequately document the reasons why 21 percent of requested services were not provided.

Inaccurate and Incomplete Service and Billing Data Limits Ability to Address Rate and Service Delivery Issues

While the review of costs and services indicates cause for concern, problems with the quality and completeness of service and billing data limit the ability to make informed judgments about whether rates and service levels are appropriate. DES does not have accurate information on the type, amount, and cost of services provided to families. DES also lacks information to assess the appropriateness of the level of services being provided to program participants.

In 74 of 80 cases, providers failed to accurately report either the type, number, or cost of services.

Provider billing does not accurately reflect services provided—Providers are not supplying DES with complete and accurate information about service delivery and costs. DES requires providers to indicate the type and cost of services families receive each month in the billing portion of the database. However, in 74 out of 80 cases reviewed, providers failed to accurately report either the type, number, or cost of services delivered.

The differences in the file and the database appeared to be random, with billing records for some months containing no information about services delivered and the next month's billing containing different service amounts or costs other than those recorded in the file. These errors are significant because incomplete and inaccurate service and cost information limits the program's ability to evaluate cost based on all participants served, which is a critical management tool for determining how to offer services and establishing a reasonable rate to pay for them.

Data insufficient to determine appropriateness of service level—Inaccurate and incomplete service data limits the ability to determine if additional services should be provided to families. As Finding I (see pages 13 through 17), pointed out, the program has not yet shown an impact at the current level of services. However, because accurate data is limited, the amount and type of services could not be clearly linked to better outcomes. In the 80 cases reviewed, providers failed to document the reasons needed services were not provided 21 percent of the time. In one case the caseworker's notes indicated that the family expressed an interest in counseling and childcare, but neither service was ever provided and the case notes did not explain why.

Lack of complete and accurate data affects overall ability to evaluate rates and service delivery—Missing and incomplete service need and delivery information impacts case management and program evaluation. Adequate documentation is critical to managing the needs of families served by the program. Failure to document types of services delivered or to identify why needed services were not provided hinders the program’s ability to effectively address client needs and access to services, especially when caseworkers change during the course of service delivery. In addition, not knowing why identified service needs are not delivered makes it impossible to evaluate unmet service needs. For example, without documentation, the Pilot Program cannot determine if services, such as the child care or counseling identified by the client in the example above, are not being delivered because families fail to follow through, because the services are not available, or because workers need more training. With adequate documentation, all of those issues could be addressed to better ensure that services are provided as needed.

Changes Are Needed in Oversight and Monitoring Efforts

Several aspects of DES’ monitoring and oversight of providers’ performance need improvement. DES has only recently begun to compare cost reports to provider files and the effectiveness of future reviews will rest on improving the completeness and quality of information submitted. To ensure that this information is complete and accurate, DES should continue to resolve confusion concerning how costs are to be reported. Finally, DES needs to ensure that this information is used to ensure that needed services are provided and to set reimbursement rates that reflect the cost of providing these services.

DES has recently begun to compare cost reports to provider files.

Reviewing cost information—Although DES has required providers to submit complete and accurate billing information on a monthly basis, it has only recently performed detailed reviews of those reported costs. In September 1999, DES began reviewing the costs associated with 90 open and closed case files representing all of the providers. This review was ongoing at the time of this report and the results could not be included here. Continuing reviews of this information are important as part of the quarterly monitoring of pro-

vider documentation and operations. However, it will be of limited usefulness unless the data quality is improved. As part of this process, it will be important for DES to ensure that the billing and program database allows providers to record all of their costs associated with performing services for families, including referral and overhead costs.

Improving guidance to providers—Providers have said that the forms and database for recording costs and services are confusing. In response, DES is currently revising the forms to correspond more closely to the database. DES is also in the process of forming a task force to study cost issues, including how to accurately reflect costs in the database. Given the lack of completeness and accuracy in the information currently being received, creating a manual that would help providers submit such information appears to be an important step.

Monitoring service delivery and assessing reimbursement rates—Given the importance of service delivery and cost documentation, DES needs to provide greater oversight of provider reporting and tracking of service and cost data. This review needs to include determining the extent to which needed services are delivered, and documenting the reasons when they are not. In reviewing the reasons why needs were not met, DES can determine if additional service providers are needed or if workers need more training to find services and motivate clients to follow through with services. Finally, DES should determine an appropriate reimbursement rate for services based on providers' actual cost to provide all needed services.

DES needs to determine the extent to which needed services are delivered.

Recommendations

To ensure appropriate reimbursement rates and service levels, DES should:

1. Modify its billing forms and database to ensure that all provider costs are captured; specifically, referral and overhead costs.
2. Develop a manual for reporting costs to ensure providers accurately collect and report costs.
3. Include the following procedures in its quarterly monitoring process:
 - a) Verify that the type, number, and costs of services reported in the database reflect what is documented in the file; and
 - b) Ensure that providers' files adequately explain the reasons identified service needs are not met.
4. Examine the reasons that identified service needs are not being provided and address those concerns through developing service availability or training.
5. Use the improved service and cost information to regularly review the appropriateness of capitated reimbursement rates so that new rates can be set during the fiscal year 2001 contract negotiation, if appropriate.

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FINDING III

DES SHOULD IMPROVE PROGRAM OVERSIGHT TO ENSURE ALL REQUIREMENTS ARE MET

DES is not performing adequate oversight to ensure that providers meet several requirements for the Pilot Program. Basic demographic information about participants, along with assessments of the level of risk present in their family situations, is incomplete. Local Advisory Boards, which are required under the statute, are not fulfilling all of their statutory responsibilities. DES needs to better enforce these requirements to help ensure that the Pilot Program is operating appropriately.

Providers Do Not Obtain and Accurately Report Important Program Data

The Family Builders database contains inaccurate and incomplete information.

Family Builders providers are not obtaining and reporting some required information from program participants. As a result, the Family Builders database contains inaccurate and incomplete information about the families served by the program. Providers are also not consistently obtaining assessments of family stress and resulting risk to children, information that is important both for managing cases and for evaluating what the Program is accomplishing.

Required demographics information is missing or inaccurate—Demographic information is often not obtained or updated in the database. Evaluation staff reviewed a total of 80 cases and found that in 68 cases, the database and/or the files contained incorrect or incomplete demographic information. The omissions and errors occur for three main reasons.

- ✓ **Partial or incomplete information is often obtained during intake.** DES requires providers to submit demographics information about participants in order to receive payment for the referral portion of the capitated fee. For families who decline

assistance and therefore do not enter the subsequent assessment phase, the information obtained during referral is the only information available. This information is often incomplete. For those who do receive an assessment, the information is not always updated in the database. Further, until June 1999, providers were not required to update demographic information collected at the time of assessment.

Until February 2000, DES was not aware that it was not receiving updated demographic information providers maintained in their copy of the database.

- ✓ **Providers do not consistently obtain all demographics information from all families who continue into the assessment phase.** As a result, some information, such as marital status, employment, or health insurance status, remains unknown. Inaccurate demographics information could limit the program's ability to fully serve clients. For instance, if the provider does not determine that the family has no health insurance, they cannot help the family address that issue before any healthcare needs arise.

Although DES has taken steps to improve data collection, more needs to be done. In addition to quarterly monitoring of each provider, DES has made the following improvements: (1) adding more training about completing required forms and entering data into the database and (2) requiring providers to update demographic information on families who complete assessments. To further aid providers, DES needs to develop a user's manual explaining the procedure for recording information in the database. DES also needs to include a review of the demographic information in its quarterly monitoring.

Brief Family Assessment Scales not obtained from many participants—Although providers completed the Family Risk Scale for most families, they have not obtained the Brief Family Assessment Scale from most families who chose to participate in the program. DES and Auditor General staff identified the Brief Family Assessment Scale (BFAS) as a case management tool for caseworkers and a means to measure the change in resources, strengths, and stressors

for families participating in the program. However, providers obtained only 49 intake and exit BFAS scores from 692 families served by the program after the BFAS began to be administered in October 1998.

A number of factors may have contributed to the low number of participants with risk assessments, but providers did not consistently record reasons why the assessment was not completed. Based on interviews with provider staff, the factors include:

- ✓ Losing contact with the family and therefore not being able to obtain the closing assessment;
- ✓ Refusal by the family to complete the assessment;
- ✓ Caseworkers' concern that asking families to complete the BFAS would offend them, and;
- ✓ Participants who do not speak or read English do not complete the BFAS because there is not a Spanish version of the assessment.

To ensure that important risk assessment information is collected for both case management and evaluation purposes, DES needs to continue monitoring how providers are using it. The BFAS is useful for reporting changes in parenting stress levels and the consequent risk of child abuse. DES needs to continue training providers on the importance of the BFAS and emphasize the importance of encouraging families to complete it.

Local Advisory Boards Do Not Meet All Legislative Mandates

Local Advisory Boards (Boards), which the law requires each provider to establish, have not fulfilled all of their responsibilities as specified in legislation and contract. These responsibilities include:

- ✓ Ensuring that services are available when needed;
- ✓ Providing direction to the program; and
- ✓ Representing the community in which program families live.

Evaluation staff found deficiencies in all three areas.

- ✓ **Boards not ensuring service continuity**—Boards do not fully ensure that all services are available when needed. Although most Boards have provided information on services available in the community, there is little indication that they ensure those services address the gaps in services experienced by providers or that providers consistently inform Boards of services they are having difficulty providing.
- ✓ **Some Boards need to improve oversight**—Most Boards have participated in program oversight through such activities as reviewing quarterly reports, requesting analysis of program participation, creating brochures, and making policy decisions. However, one Board did not appear to meet regularly enough to make any impact on the program and another Board never provided any direction other than to recommend additional training for staff.
- ✓ **Membership does not meet requirements**—Most Boards have not been able to recruit and involve the required membership. For instance, half of the providers have been unable to recruit Board members from families in the community. Although all Boards currently include a representative from local public agencies, these members have also been difficult to attract and keep involved for most Boards. In addition, those Boards that do have the required membership have not been able to get members to regularly attend meetings.

Many Boards have not been able to recruit Board members from families in the community.

To improve Board activity and involvement, DES needs to provide more-thorough review of Board membership and activities and provide assistance with recruiting and involving Board members as needed.

Recommendations

1. To ensure that accurate and complete demographics information is collected on program families, DES should:
 - a) Develop a user's manual that details data collection procedures; and
 - b) Compare the information reported in the database with information collected from file reviews during the quarterly review process.
2. To improve usage of the BFAS, DES should:
 - a) Give additional training to providers on using the BFAS as a case management tool and on encouraging families to complete the assessment; and
 - b) Monitor the collection and use of the BFAS as part of the quarterly review process.
3. To ensure that Local Advisory Boards fulfill their statutory and contractual requirements, DES should conduct reviews of Board activities and provide assistance with recruiting and involving Board members.

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STATUTORY EVALUATION COMPONENTS

Pursuant to Laws 1997, Ch. 223, §3, the Office of the Auditor General is required to include the following information in the Family Builders program evaluation.

B.1. Information on the number of reports referred to the pilot programs.

Between January 1, 1998 and July 31, 1999, 8,335 reports concerning 18,283 children were referred to the Pilot Program. Approximately 75 percent of referred families reside in Maricopa County and the remaining 25 percent reside in Pima County.

B.2. Information on the number of families served.

Information on the number and characteristics of program participants was available for families through July 31, 1999. Since the January 1, 1998, implementation of Family Builders, 2,757 families received assessments, and 2,326 families, representing 5,723 children, agreed to accept services. Approximately 75 percent of families served reside in Maricopa County and the remaining 25 percent reside in Pima County.

B.3. Demographic information on the families served.

Demographics are reported on all 2,326 families served with limitations as described in Finding III (see pages 29 through 33).

✓ **Caregivers**—The majority of primary caregivers in the program are female, with fewer than 10 percent being male. In 97 percent of the cases the caregivers are parents. Other relatives care for almost all of the remaining 3 percent of program children. The average age of female caregivers is 33. The average age of the male caregivers is 35.

- ✓ **Caregivers' Marital Status and Living Arrangements**—While 62 percent of the primary caregivers reported being single or separated at the time of enrollment, less than half reported living alone with their children. In addition to the 24 percent who reported living with a spouse, 14 percent of caregivers live with their parents or another relative and 17 percent live with a non-relative or cohabitating partner.
- ✓ **Caregivers' Education and Employment**—Approximately 75 percent of the caregivers have either a high school diploma or GED. In addition, approximately 20 percent of the caregivers report having post-secondary education or training. However, only 48 percent of female and 71 percent of male caregivers reported being employed either full-time or part-time.
- ✓ **Caregivers' Ethnicity**—Ethnicity among primary caregivers varies. Approximately 60 percent of the caregivers are Anglo, 27 percent are Hispanic, 7 percent are African-American, and 3 percent are Native American. "Other" makes up the balance.
- ✓ **Income**—The majority of program participants belonged to impoverished households. The median income is \$16,200 per family among family households whose annual household income, including assistance, was reported. Approximately 30 percent were below \$12,000; 30 percent were between \$12,000 and \$20,000; and 40 percent were above \$20,000. While most families reporting their source of income indicated wages as a source, approximately 42 percent of families depended on one or more welfare benefits, such as food stamps, social security, and TANF to either support their family or to supplement their income.
- ✓ **Family size**—One-quarter of the families in the program have only one child. Thirty-one percent of the families have two children, 23 percent have 3 children, and the remaining 22 percent have four or more children.¹

¹ Total of percentages equals more than 100 percent due to rounding.

- ✓ **History of substance abuse and domestic violence**—Some of the families in the Pilot Program also have substance abuse and domestic violence problems that can make the challenges of parenting more difficult. Specifically, 16 percent of females and 26 percent of males reported abusing alcohol or drugs within 6 months of program intake. In addition, 29 percent of families reported the occurrence of domestic violence in the home within 6 months of program intake.

B.4. Information on the type of services provided and the families' satisfaction with the services.

- **Services Delivered**—All providers are required to provide assessment, case management, child care, housing search and relocation, parenting skills training, supportive intervention and guidance counseling, transportation, emergency, intensive family preservation, parent aide, respite, and shelter services. Because the database recording the types of services delivered is not accurate (see Finding II, pages 19 through 27) the specific type of services cannot be determined for all cases. Based on the evaluators' review of 80 randomly selected cases, all families received case management, 29 percent received counseling services, 31 percent received parenting skills training or parent aide services, and 56 percent received emergency services such as food, clothing, or utilities, rent, and phone payments. In addition, some families received transportation, housing search and relocation, child-care, and shelter services.
- **Client Satisfaction**—Because only 7 percent of served families responded to the client satisfaction survey, client satisfaction with the program could not be fully determined. Family Builders specialists provided families with a confidential survey to measure their satisfaction with the services they received, the program, and the workers. Families were also given a postage-free return envelope to mail the completed survey to the Office of the Auditor General. However, during the first two years of the program, the satisfaction survey was not available in Spanish. Out of 2,326 families who were served by the pro-

gram, only 170 returned a satisfaction survey. In addition, providers are not equally represented in the results.

Specifically, four providers had three or fewer surveys returned by their clients.

The 170 participants who did respond to the survey were satisfied with the program. For example, 91 percent of the respondents felt their family was somewhat or a great deal better off as a result of their involvement with Family Builders. In addition, 92 percent reported feeling that they were a great deal or somewhat better able to deal with their problems as a result of the Family Builders program. Finally, fewer than 2 percent of families reported that Family Builders was unable to provide services to meet their family's needs.

B.5. Information on the cost of services provided.

As discussed in Finding II (see pages 19 through 27), the cost of services cannot be fully determined. DES paid approximately \$7,601,612 to providers to accept 8,335 referrals, perform 2,757 assessments, and provide extended services to 2,326 families. Providers receive capitated payment for completing each service stage regardless of the amount it costs them to perform those services. Capitated rates vary by providers as some providers bid different rates. In addition, each provider incurs different costs for the same types of services since the internal rates depend on which agency is providing the service. However, the providers failed to accurately record costs in their billing statements and the database; therefore, actual cost of services cannot be determined for the entire population.

As reported in Finding II, the evaluators' review of 80 randomly selected cases indicates that the actual cost of services for closed cases ranged from \$850 to \$2,437, and for open cases ranged from \$722 to \$2,629. Both ranges include an estimate for under-documented referral, assessment, and overhead costs.

B.6. Information on providers.

DES awarded contracts to eight providers in Maricopa and Pima Counties, as illustrated in Table 6 (see page 39). Providers formed fee-for-service, contract, and in-kind collaborations with other social and health service providers in their local communities to provide services to families. DES' contract with providers included an expectation that providers would perform assessments for approximately 75 percent of all families referred to them and provide service plans to approximately 30 percent of all families referred to them. While most providers met the expectation for service plans, no provider completed the expected percentage of assessments.

Table 6

**Family Builders Pilot Program
Providers, Counties, and Maximum Contract Amounts¹
Years Ended or Ending June 30, 1998, 1999, and 2000**

Provider	County	1998²	1999	2000
Arizona Baptist Children's Services	Maricopa	\$ 582,205	\$1,164,410	\$1,164,410
Arizona's Children Association	Maricopa	289,610	579,220	579,220
Arizona Partnership for Children	Maricopa and Pima	1,038,350	2,076,700	2,076,700
Black Family and Child Services	Maricopa	267,350	534,700	534,700
CARENOW	Maricopa	375,550	606,100	606,100
Child and Family Resources	Maricopa	134,310	268,620	268,620
Marana Unified School District	Pima	65,100	130,200	130,200
Our Town Family Center	Pima	535,500	1,071,000	1,071,000
Total		<u>\$3,287,975</u>	<u>\$6,430,950</u>	<u>\$6,430,950</u>

¹ Provider contracts establish a rate for each unit of service (referral, assessment, and service plan) not to exceed the maximum number of units indicated for each contract service.

² The Family Builders Pilot Program began in January 1998; therefore, the 1998 amounts are for only half the fiscal year.

Source: Auditor General staff analysis of Family Builders provider contracts for fiscal years 1998, 1999, and 2000.

- **Arizona Baptist Children's Services**—Arizona Baptist Children's Services serves the northwestern Maricopa County area. They have 56 collaborators, including Parents Anonymous, Maricopa Skill Center, Crisis Nursery, Salvation Army, The Bridge, Treatment Assessment

Screening Center, and several local churches. In addition, Arizona Baptist Children's Services employs 9 caseworkers to perform assessments and provide services to their clients. Arizona Baptist Children's Services performed assessments on 35 percent of all families referred to them and provided service plans to 32 percent of all families referred to them.

- **Arizona's Children Association**—Arizona's Children Association serves the southwestern Maricopa County area. Their four collaborators are Florence Crittenton, Southwest Behavioral Health Services, Southwest Human Development, and Tumbleweed. Five caseworkers conduct assessments and provide services to their clients. Arizona's Children Association performed assessments on 28 percent of all families referred to them and provided service plans to 22 percent of all families referred to them.
- **Arizona Partnership for Children**—Arizona Partnership for Children serves families in southeastern Maricopa County and northeastern Pima County. They have 23 collaborators, including Parents Anonymous, Devereux-LaHacienda, The Blake Foundation, and Touchstone Community. Nineteen caseworkers conduct assessments and provide services to their clients. Arizona Partnership for Children performed assessments on 30 percent of all families referred to them and provided service plans to 24 percent of all families referred to them.
- **Black Family and Child Services, Inc.**—Black Family and Child Services serves families in south-central Maricopa County. They have 16 collaborators, including Goodwill, YMCA, Salvation Army, Sojourner Center, Phoenix Day Child Development Center, and Maricopa Skills Center. Five caseworkers conduct assessments and provide services to their clients. Black Family and Child Services performed assessments on 32 percent of all families referred to them and provided service plans to 28 percent of all families referred to them.

- **Carenow**—Carenow serves families in northeastern Maricopa County. They have 5 collaborators: Jewish Family and Child Services, PREHAB of Arizona, Valle del Sol, Youth Evaluation and Treatment Centers, and West Side Social Services. Nineteen caseworkers conduct assessments and provide services to their clients. Carenow performed assessments on 38 percent of all families referred to them and provided service plans to 31 percent of all families referred to them.

- **Child and Family Resources**—Child and Family Resources serves families in Central Phoenix. They have eight collaborators, including City of Phoenix/Young Families CAN, Southwest Human Development, TERROS, and Crisis Nursery. Four caseworkers and one parent aide provide services to their clients. Child and Family Resources performed assessments on 35 percent of all families referred to them and provided service plans to 33 percent of all families referred to them.

- **Marana Unified School District**—Marana Unified School District serves families in northwestern Pima County. They have 13 collaborators, including the Marana Health Center, Rural Domestic Violence Advocate, Picture Rocks Community Center, Rural Health Partnership, Northwest Interfaith Council, Picture Rocks Beauty and Barber, and the Salvation Army. One caseworker and one program supervisor provide services to their clients. Marana Unified School District completed assessments for 50 percent of all families referred to them and provided service plans to 43 percent of all families referred to them.

- **Our Town Family Center**—Our Town Family Center serves families in southeastern Pima County. They have 41 collaborators, including Fred Acosta Job Corps, City of Tucson, Tucson Metropolitan Ministry, Pima Community College Center for Training and Development, and Tucson Center for Women and Children. Fourteen workers conduct assessments and provide services to their clients.

Our Town Family Center performed assessments on 37 percent of all families referred to them and provided service plans to 30 percent of all families referred to them.

B.7. Recommendations regarding program administration.

As discussed in Finding I (see pages 13 through 17), Finding II (see pages 19 through 27), and Finding III (see pages 29 through 33), DES should improve its oversight of the program by:

1. Revising its quarterly monitoring process to include:
 - a. a review of costs reported in the database compared to those documented in the file;
 - b. a review of the number and type of services reported in the database to those recorded in the files and ensuring that providers document the reasons why identified service needs are not met;
 - c. a review of the demographic information reported in the database compared with that collected in the file to ensure that accurate and complete demographics information is collected on families served by the program;
 - d. a review of provider collection of the Brief Family Assessment Scale and following up with providers that have low completion rates; and
 - e. a review of the recruitment, activity, and involvement of Local Advisory Boards and guidance to both providers and the Boards as needed.
2. Revising and developing documentation to further assist providers in reporting accurate information regarding the program as required in provider contracts, training, and existing forms. Specifically, DES should:
 - a. develop a manual for reporting cost to ensure that providers collect and report accurately the cost of services;

- b. modify billing forms and the database to ensure that all provider costs are captured; specifically, referral and overhead costs; and
 - c. develop a user's manual explaining how providers should collect the required demographics information.
3. Reviewing reasons that identified service needs are not being provided and address those concerns through developing service availability or training.
 4. Using the improved service and cost information to determine the appropriateness of capitated reimbursement rates so that new rates can be set during the fiscal year 2001 contract negotiation, if appropriate.
 5. Providing additional training to providers on the use of the Brief Family Assessment Scale as a case management tool and encouraging families to complete the assessment.

B.8. Information concerning the extent to which goals and objectives of the pilot project are being successfully met.

DES established one goal for the program: to enhance parents' ability to create safe, stable, and nurturing home environments that promote safety of all family members and healthy child development. They also established two objectives for the program, which are: 1) to increase safety of children in their family home, and 2) to increase parenting competence or effectiveness. As discussed in Finding I (see pages 13 through 17), the program data does not suggest that the program has had an effect on home safety yet. There were no meaningful differences between the CPS report rates of participant and comparison group families. However, Pilot Program families evidenced a modest though statistically significant reduction in their risk for child abuse and neglect as reported in the worker-completed Family Risk Scale. The family-completed Brief Family Assessment Scale results are inconclusive because they are not representative of all families served.

B.9. Information on the effect of the pilot program in reducing the number of children placed outside of the home and in reducing the number of reports to child protective services and the number of investigations by child protective services.

While CPS reports and investigations have declined since the Pilot Program's implementation, the cause of these declines cannot be directly attributed to the program. In addition, the number of out-of-home placements has increased since the program's implementation. However, it may not be reasonable to expect changes to broad system-wide issues in such a short time and with such limited application of the program.

Because fewer reports were received and many of the low- and potential-risk reports were referred to the Pilot Program, the total number of investigations performed by DES since the program's implementation has declined. As shown in Figure 3 (page 45), the total number of reports CPS has received has declined in both Pilot Program counties and in counties that did not have the Pilot Program. In fact, the rate of decline has been proportionately steeper in counties that did not have the program. Therefore, it does not appear that the program is directly responsible for the decline in reports.

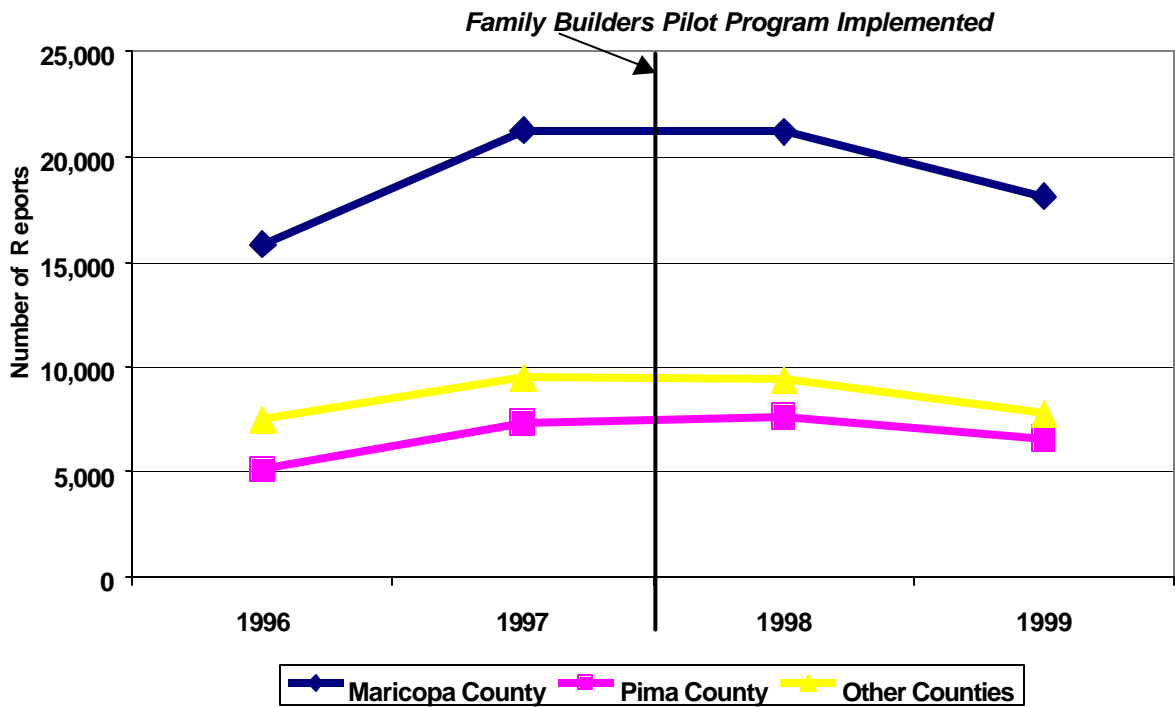
However, DES has reported improved response rates to all CPS reports since the program's implementation. For example, in the month prior to the Family Builders implementation, DES had an 80 percent investigation rate for low-risk reports in Maricopa and Pima Counties and a 67 percent investigation rate for potential-risk reports received in Maricopa and Pima Counties. Since the first month of the implementation, DES has reported that 100 percent of all reports received in Maricopa and Pima Counties were either investigated by DES or referred to the Family Builders Pilot Program.

In addition, there is no difference between the rate of out-of-home placements for Pilot Program and non-Pilot Program families. Specifically, approximately 1 percent of families who received services from the Pilot Program and families who declined services from the program later had a child removed from their home.

Moreover, the total number of children in out-of-home placement has increased over the last three fiscal years with the major portion of the increase occurring within the first two years. At the end of fiscal year 1997, the State was providing out-of-home placement services to 6,065 children. The Pilot Program was introduced midway through fiscal year 1998 and the State was providing out-of-home placement services to 6,708 children by the end of that year. By the end of fiscal year 1999, DES reported that 6,734 children received out-of-home care.

Figure 3

**Family Builders Pilot Program
Reported Instances of Child Abuse and Neglect¹
Years Ended June 30, 1996 through 1999**



¹ The Family Builders Pilot Program was available in Maricopa and Pima Counties only after January 1, 1998. The program was not available to the other counties at that time.

Source: Auditor General staff analysis of Child Protective Services monthly report data from July 1, 1996 through June 30, 1999.

B.10. Information on a comparison of outcomes for families served by the Pilot Program with families reported to Child Protective Services in the Department of Economic Security in other locations.

Finding I (see pages 13 through 17) explains that outcomes for the Pilot Program participants were no different than those of families served by DES in other locations. Specifically, there was no meaningful difference in the proportion of participants who later received a CPS report and the proportion of families from either comparison group who subsequently received reports. In addition, there was no significant difference between the proportion of participant families who have subsequent substantiated CPS reports and the proportion of families in either comparison group who later received a substantiated CPS report.

APPENDIX

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APPENDIX

Assessment Tools

- **Family Risk Scale**—is completed by the Family Builders caseworker at participants' intake to and exit from the program. The Family Risk Scale emphasizes “parental characteristics and family conditions that are believed to be predictors or precursors of child maltreatment.”¹

The Family Risk Scale contains 26 individual dimensions that assess the family's adequacy and risk for the component being measured as described in Table 7, page a-ii. A score for each dimension is provided by the caseworker, using either a 4-point, 5-point, or 6-point response scale. Within these scales, “1” represents the highest degree of adequacy (and lowest degree of risk) and higher numbers represent increasing degrees of inadequacy. Five dimensions of the Family Risk Scale apply to the entire family, 8 apply to the caregivers, and 13 apply to the children. In addition, if a child in the family is also a parent, caseworkers also rate that child on two of the parent dimensions. The Family Risk Scale does not give one overall measurement of risk. Instead risk is assessed in three separate summary scales: economic, parent, and child-centered risk.

¹ Magura, Stephen, Beth Silverman Moses, and Mary Ann Jones. *Assessing Risk and Measuring Change in Families: The Family Risk Scales*. Washington, D.C.: Child Welfare League of America, 1987.

Table 7

**Family Builders Pilot Program
Family Risk Scale Assessment Areas and Scores**

Risk Assessment Area	Range of Scores
<i>Economic risk factors</i>	
Habitability of family residence	1-5
Suitability of living conditions	1-5
Financial problems	1-4
Physical needs of child	1-4
<i>Parent-centered areas</i>	
Adult relationships in household	1-4
Parent's mental health	1-5
Knowledge of child care and development	1-4
Parent's substance abuse	1-5
Parent's motivation for problem solving	1-5
Parent's cooperation with agency	1-4
Preparation for parenthood	1-4
Supervision of child under age 10	1-4
Parenting of child age 10 and over	1-4
Physical punishment of child	1-5
Verbal discipline of child	1-4
Emotional care and stimulation of infant under age 2	1-4
<i>Child-centered areas</i>	
Parent's attitude to preventing placement	1-4
Emotional care and stimulation of child age 2 and older	1-5
Child's mental health	1-5
Child's school adjustment	1-6
Child's delinquent behavior	1-6
Child's home-related behavior	1-5
Child's cooperation with agency (if also a parent)	1-4
Child's preparation for parenthood (if also a parent)	1-4

Source: The Family Risk Scales developed by the Child Welfare League of America and published by Stephen Magura, Beth Silverman Moses, and Mary Ann Jones in *Assessing Risk and Measuring Change in Families: The Family Risk Scales*, Washington, D.C.: Child Welfare League of America, 1987.

- **Brief Family Assessment Scale (BFAS)**— is a paper-and-pencil assessment completed by participant families at intake to

and exit from the program. The BFAS measures the family's perception of their strengths, resources, and problems in the following seven areas:

- Personal Stress
- Family Support
- Economic Stress
- Aggressive Behavior
- Problems with My Child
- Drug Use
- Alcohol Use

The seven subscales are comprised of 76 individual statements. The family is asked to indicate how often they experience the situation described in the statement using the following scale:

- 1 None of the time
- 2 Very rarely
- 3 A little of the time
- 4 Some of the time
- 5 A good part of the time
- 6 Most of the time
- 7 All of the time
- X Does not apply

For questions that apply to only one family member, families are asked to respond based on the family member to whom the item applies the most. For instance, if the person completing the assessment never becomes hostile and threatening, but another family member exhibits that behavior a good part of the time, then the person should respond with a 5 to the statement related to that issue.

Statistical Analysis of Subsequent CPS Report Rates

- **Analysis of All Families**—As reported in Finding I (see pages 13 through 17), the review of CPS data from July 1, 1995 to June 30, 1999, found no meaningful difference between the proportion of participant families who received

CPS reports after the receipt of the initial, referring report and the proportion of families from either comparison group who subsequently received reports.

To further explain, the Chi-Square test of significance showed that there was a statistically significant difference between the proportion of participant families with subsequent CPS reports (31.9 percent) and the proportion of families who did not receive Family Builders services (24.2 percent). The Chi-Square result was 26.86 (1, N=4,249), $p < .001$. However, the intensity of the relationship between being in Family Builders and receiving a CPS report was so weak ($\phi = -.08$) that there is no meaningful or practical significance in the resulting Chi-Square value.

The same analysis was performed to determine differences between the proportion of participant families with subsequent CPS reports (31.9 percent) and the proportion of families served by DES in other locations with subsequent CPS reports (28.5 percent) and found a similar result. Specifically, the Chi Square result was 5.26 (1, N = 4,778), $p < .022$ and the Phi was $-.033$. Again, we have statistical significance with a weak association resulting in no meaningful difference.

- **Analysis of Families with No Prior Reports**—As reported in Finding I (see pages 13 through 17), when looking only at families whose first involvement with CPS during the period examined was through the referring CPS report, the analysis showed that there is no meaningful difference between the proportion of Pilot Program families and the proportion of two different comparison group families who had a subsequent CPS report.

Specifically, the Chi-Square test of significance showed that there was no statistically significant difference in the proportion of participant families with subsequent CPS reports (25.0 percent) and the proportion of families served by DES in other counties who later received a CPS report (23.6 percent). Specifically, the Chi Square result was .697 (1, N = 3,266), $p < .404$ and the Phi was $-.015$.

The Chi-Square test of significance showed that there was a statistically significant difference between the proportion of participant families with subsequent CPS reports (25.0 percent) and the proportion of families who did not receive Family Builders services and later received CPS reports (17.9 percent). The Chi-Square result was 18.43 (1, N = 3,022) $p < .001$; however, the relationship was weak ($\phi = -.079$). Therefore, there is no meaningful or practical significance in the resulting Chi-Square value.

- **Analysis of families excluding those referred back to CPS by Family Builders staff**—In a separate analysis, evaluation staff excluded families whose Family Builders case was closed because the family was referred back to CPS. There was no meaningful difference in the proportion of families with subsequent CPS reports or the proportion of families with subsequent substantiated CPS reports between the participants and either comparison group.
- **Analysis of demographic differences**—As reported in the Introduction and Background (see pages 1 through 12), some statistically significant demographic differences exist between the participants and comparison groups. Evaluation staff performed a logistic regression analysis to determine the impact of ethnicity, gender, and age on subsequent CPS report rates for families in all three groups. Only one factor, ethnicity, had an impact. White caregivers in all groups were more likely to have a subsequent CPS report. However, White caregivers are underreported in the Family Builders' participant group relative to one comparison group and proportionately similar to the second comparison group. Based on this analysis, it is unlikely that differences in ethnic composition of the groups resulted in Family Builders participants having a higher rate of reports.
- **Analysis of CPS report priority of originating report**—Priority three and four reports are eligible for the Family Builders program, but priority three reports involve more serious allegations of child abuse and neglect. The distribution of priority three and four reports among participant families and those families who were referred, but did not receive, services were

the same. Families in the counties without the Pilot Program had significantly more priority three reports than participant families did Chi Square 652.43. (1, n = 4,778), (p < .001, ϕ =.370)

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AGENCY RESPONSE

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Jane Dee Hull
Governor

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
1717 W. Jefferson, P.O. Box 6123, Phoenix, AZ 85005

John L. Clayton
Director

Ms. Debbie Davenport, CPA
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85005

Dear Ms. Davenport:

The Department wishes to thank the Office of the Auditor General for the opportunity to respond to the recently completed audit of the Family Builders program.

The Department is proud to have created a program that is starting to show some positive outcomes in such a short period of time. We have a 100 percent response rate to reports of child abuse and neglect utilizing a combination of investigations by CPS and referrals to Family Builders. The Family Risk Scale, which is completed at intake and exit, showed statistically significant reductions in risk on all three subscales. The Brief Family Assessment Scale showed a statistically significant difference on two of the seven subscales between the intake and exit scores.

The Department developed a client database to aid in the record keeping and evaluation of the program. Of the families who responded to a client satisfaction survey, 91 percent felt their family was somewhat or a great deal better off as a result of their involvement with Family Builders. In addition, 92 percent reported feeling they were a great deal or somewhat better able to deal with their problems as a result of the Family Builders program.

Creating a new program is not without its challenges. We welcome the constructive suggestions for strengthening this important program. As programmatic issues have been raised, the Department responded by addressing the issues in new worker training, during the quarterly site monitoring visits, and at the quarterly partnership meetings with the providers.

The Family Builders program has brought the community and CPS together in a partnership to provide services to families and to prevent subsequent child abuse and neglect of children. It has been recognized at the national level as an innovative program serving the children and families of Arizona, winning the 1999 Innovations Award from the Council of State Governments.

Page 2
Debbie Davenport

The recommendations pertaining to each finding will be implemented as discussed in our accompanying response. We would like to express our appreciation for the time and effort that you have invested in this important evaluation.

If you have any questions or need additional information please contact Anna Arnold, Acting Assistant Director at 542-3598, or me at 542-5678.

Sincerely,

John L. Clayton

Enclosure

DEPARTMENT OF ECONOMIC SECURITY
RESPONSE TO THE
FAMILY BUILDERS PROGRAM EVALUATION

FINDING I: Family Builders Unable to Show Impact on Child Safety at This Time

The Department agrees with the Auditor General that the Family Risk Scale assessment results indicate that program families experienced a statistically significant decrease in risk in each of the three measured areas: economic; parent centered and child-centered. Further, for the families who completed the voluntary Brief Family Assessment Scale, the differences between intake and exit scores were statistically significant for two of the seven subscales. On both of these scales, the risk for child abuse and neglect decreased.

Given the positive results listed above, the Department believes the finding should read as follows: Family Builders Ability to Show Impact on Child Safety is Inconclusive at this Time. Therefore, the finding of the Auditor General is not agreed to, but the recommendation which states DES should ensure that accurate and complete program information, such as service delivery data, demographic data, and family risk assessments, is collected as specified in provider contracts, training, and existing forms, to ensure that program outcomes can be fully measured in the future is agreed to and the audit recommendation will be implemented. *The Department has already implemented all recommended changes and remains committed to ensuring that program outcomes are fully measured.*

DEPARTMENT OF ECONOMIC SECURITY
RESPONSE TO THE
FAMILY BUILDERS PROGRAM EVALUATION

FINDING II: DES Needs to Examine Costs and Number of Services Delivered

The Department does not agree with the statement made by the Auditor General that says the providers are overpaid an average of \$1,700. During fiscal year 1999, the Department's review of costs shows the average rates paid to Family Builders providers were \$93 for a referral, \$266 for a completed assessment, and \$2,855 for a completed service plan. An analysis of the provider's reported costs showed that the average cost for the providers to respond to a referral and complete an assessment was \$383, a net cost to the provider of \$24 per referral and assessment completed. The average cost for a family that went through the referral, assessment, and service plan was \$2,964; while the average reimbursement to the provider was \$3,214. This results in a net profit of approximately \$250. With only 28% of the reports referred to the Family Builders providers completing a service plan, the provider has the potential of having a net loss depending on the number of referrals and assessments completed.

The finding of the Auditor General is agreed to and the following recommendations will be implemented. To ensure appropriate reimbursement rates and service levels, DES should:

1. Modify its billing forms and database to ensure that all provider costs are captured; specifically, referral and overhead costs. *The majority of the forms have already been modified and will more accurately capture the necessary information.*
2. Develop a manual for reporting costs to ensure providers accurately collect and report costs. *The Department, will develop an instructional manual which will ensure providers accurately collect and report costs and will provide training and technical assistance to providers in this process.*
3. Include the following procedures in its quarterly monitoring process:
 - A) Verify that the type, number, and costs of services reported in the database reflect what is documented in the file; and
 - B) Ensure that providers' files adequately explain the reasons identified service needs are not met. *The Department modified program forms in June 1999, and starting in July 1999, Family Builders Specialists review the case files and gather information on the type, number and cost of services reported. This information is compared to the database and any discrepancies are noted in the site monitoring report which is given to the provider. The provider is responsible for correcting the discrepancies. Further, at site monitoring visits service plans are reviewed, specifically the portion that discusses whether goals have been accomplished and reasons service needs are not being met. The results are shared with the provider who is responsible to ensure staff are completing the forms accurately and completely and families are receiving needed services.*

4. Examine the reasons that identified service needs are not being provided and address those concerns through developing service availability or training. *The Family Builders Specialists started providing additional training on a quarterly basis on how to identify needs, locate services and develop resources.*

5. Use the improved service and cost information to regularly review the appropriateness of capitated reimbursement rates so that new rates can be set during the fiscal year 2001 contract negotiation, if appropriate. *The Department will gather more accurate and detailed cost information and adjust the reimbursement rates during the next Request for Proposal process, if appropriate.*

DEPARTMENT OF ECONOMIC SECURITY
RESPONSE TO THE
FAMILY BUILDERS PROGRAM EVALUATION

FINDING III: DES Should Improve Program Oversight to Ensure All Requirements Are Met

Creating a new program is not without its challenges and as programmatic issues are raised, the Department responds by addressing the concern in new worker training, during the quarterly site monitoring visits of providers, and at the quarterly partnership meetings of providers. The Department is committed to ensuring providers fulfill the requirements of their contracts, so in turn, program families receive appropriate services. These services are provided to families to assist them in creating a safe, stable and nurturing home environment that promotes safety of all family members and healthy child development.

The finding of the Auditor General is agreed to and the following audit recommendations will be implemented.

1. To ensure that accurate and complete demographics information is collected on program families, DES should:
 - A) Develop a user's manual that details data collection procedures; and
 - B) Compare the information reported in the database with information collected from file reviews during the quarterly review process. *The Department is already comparing information reported in the database against information collected from file reviews, and will continue to do so. A users manual will be created that gives detailed instructions on how to accurately report demographic information.*
2. To improve usage of the BFAS, DES should:
 - A) Give additional training to providers on using the BFAS as a case management tool and on encouraging families to complete the assessment; and
 - B) Monitor the collection and use of the BFAS as part of the quarterly review process. *The Department continues to stress to the providers the importance of BFAS completion. Detailed training on how to complete the BFAS and ways to encourage family participation is provided during provider new employee training. Since October 1999, the Department has been reviewing the case files and provider database in an effort to ensure the BFAS is completed and entered into the database. Any discrepancies are given to the provider in their site monitoring report. A policy was adopted in January 2000 which states the provider staff will complete the post-BFAS when it appears the family is disengaging from the program rather than wait until the families leaves the program.*

3. To ensure that Local Advisory Boards fulfill their statutory and contractual requirements, DES should conduct reviews of Board activities and provide assistance with recruiting and involving Board members. *The Family Builders Specialists will meet with the Local Advisory Boards and provide technical assistance, written material and training to ensure the Boards are fulfilling their statutory and contractual requirements.*

Other Performance Audit Reports Issued Within the Last 12 Months

99-5	Department of Gaming	99-17	Department of Health Services’ Tobacco Education and Prevention Program
99-6	Department of Health Services— Emergency Medical Services	99-18	Department of Health Services— Bureau of Epidemiology and Disease Control Services
99-7	Arizona Drug and Gang Policy Council	99-19	Department of Health Services— Sunset Factors
99-8	Department of Water Resources	99-20	Arizona State Board of Accountancy
99-9	Department of Health Services— Arizona State Hospital	99-21	Department of Environmental Quality—Aquifer Protection Permit Program, Water Quality Assurance Revolving Fund Program, and Underground Storage Tank Program
99-10	Residential Utility Consumer Office/Residential Utility Consumer Board	99-22	Arizona Department of Transportation A+B Bidding
99-11	Department of Economic Security— Child Support Enforcement	00-1	Healthy Families Program
99-12	Department of Health Services— Division of Behavioral Health Services	00-2	Behavioral Health Services— Interagency Coordination of Services
99-13	Board of Psychologist Examiners	00-3	Arizona’s Family Literacy Program
99-14	Arizona Council for the Hearing Impaired		
99-15	Arizona Board of Dental Examiners		
99-16	Department of Building and Fire Safety		

Future Performance Audit Reports

Department of Public Safety—Aviation Division

Department of Agriculture’s
Animal Disease, Ownership and Welfare Protection Program