

Summary of the Title IV-E Child Welfare Waiver Demonstrations

Prepared For:
Children's Bureau
Administration on Children, Youth, and Families
Administration for Children and Families
U.S. Department of Health and Human Services

Prepared By:
James Bell Associates
Arlington, Virginia

April 2013

Introduction

In 1994 Congress passed Public Law 103–432, which established Section 1130 of the Social Security Act (SSA) and gave the Secretary of the Department of Health and Human Services (HHS) the authority to approve State demonstration projects involving the waiver of certain provisions of titles IV-E and IV-B of the SSA. These provisions govern Federal programs relating to foster care and other child welfare services. Conceived as a strategy for generating new knowledge about innovative and effective child welfare practices, waivers grant States flexibility in the use of Federal funds (particularly funds for title IV-E foster care) for alternative services and supports that promote safety, permanency, and well-being for children in the child protection and foster care systems. The Adoption and Safe Families Act (ASFA) of 1997 extended and expanded HHS’s authority to use waivers for child welfare programs by approving up to 10 new waiver projects each year.

HHS’s original legislative authority to approve new waivers expired on March 31, 2006. However, the passage of the Child and Family Services Improvement and Innovation Act (Public Law 112–34), which was signed into law on September 30, 2011, reauthorized HHS to approve up to 10 new waiver demonstrations in each of Federal Fiscal Years (FFY) 2012 through 2014. Many of the requirements for waivers that were in effect under the original authorizing legislation apply to waivers approved under the new law, including cost neutrality (i.e., States cannot receive more in Federal title IV-E reimbursement than they would have received in the absence of a waiver) and a five-year time limit that may be extended for additional years at the discretion of the HHS Secretary. However, the law includes a new provision specifying that all waiver demonstrations must terminate operations by September 30, 2019. With the exception of this required termination date, States with waiver demonstrations that were in effect before the new waiver authority was established are not subject to the requirements of the new law.

Significant changes to the waiver authority introduced by the new legislation include the following:

- Any Indian Tribe, Tribal organization, or consortium approved to directly operate a title IV-E program in accordance with section 479B of the Act is eligible to apply directly for a title IV-E waiver.
- State and Tribal title IV-E agencies must meet additional criteria to be considered for a waiver, including a requirement that they implement at least two child welfare program improvement policies (from a list provided in the statute) within three years of the application. One of the program improvement policies must be a policy that the agency has not implemented prior to the submission of the application. In addition, applicants must indicate their explicit intent to pursue one or more of the following goals:
 - Increase permanency for all infants, children, and youth by reducing time in foster placements when possible and promoting a successful transition to adulthood for older youth.
 - Increase positive outcomes for infants, children, youth, and families in their homes and communities, and improve the safety and well-being of infants, children, and youth.

- Prevent child abuse and neglect and the re-entry of infants, children, and youth into foster care.

The law also includes a provision that prevents HHS from giving preference in the review of waiver proposals to applicants that propose to evaluate their demonstrations using an experimental research design involving the random assignment of individuals or groups to experimental or control groups. However, title IV-E agencies are still expected to implement the most methodologically rigorous research designs possible to evaluate the effects of interventions implemented under their waivers.

In inviting proposals for new waiver demonstrations, HHS also announced that it would give priority consideration to projects that explicitly seek to improve child and family well-being outcomes (with a particular emphasis on addressing trauma experienced by maltreated children) and that test or implement evidence-based or evidence-informed assessment tools and interventions. Moreover, proposals that involve partnerships with other Federal initiatives (e.g., title XIX State Plan Amendments or Medicaid waivers) are given special consideration.¹

Findings from the Original Waiver Demonstrations

Since the enactment of the original child welfare waiver authority in 1994, 23 States have implemented one or more demonstrations involving a variety of service strategies, including:

- Subsidized guardianship/kinship permanence
- Flexible funding and capped title IV-E allocations to local child welfare agencies
- Managed care payment systems
- Services for caregivers with substance use disorders
- Intensive service options, including expedited reunification services
- Enhanced training for child welfare staff
- Adoption and post-permanency services
- Tribal administration of title IV-E funds

The first rounds of demonstrations implemented in the 1990s and 2000s documented a number of successes in improving safety, permanency, and some well-being outcomes for children and families in the child welfare system. Highlights from three major categories of these original demonstrations—subsidized guardianship, flexible funding, and services for caregivers with substance use disorders—are summarized below.

- Eleven States (Delaware, Illinois, Iowa, Maryland, Minnesota, Montana, New Mexico, North Carolina, Oregon, Tennessee, and Wisconsin) completed subsidized guardianship waiver demonstrations. Under the terms of their waivers, these States were allowed to use title IV-E dollars to subsidize placements with relative and/or non-relative caregivers who served as the legal guardians of children who had previously been in foster care. Several States with guardianship waivers demonstrated positive findings in the areas of net permanency (combined exits to guardianship, reunification, and adoption) and reduced time in foster care. In addition, children who exited foster care through subsidized guardianship were in general no more likely to experience subsequent episodes of maltreatment or to re-enter foster care

¹For a complete summary of changes to the waiver authority, see Information Memorandum ACYF-CB-IM-12-05, available at: <http://www.acf.hhs.gov/programs/cb/resource/im1205>.

than were children who exited care through reunification or adoption, thus indicating that guardianship is a safe permanency alternative. The promising results of the guardianship demonstrations contributed in part to the enactment of a legislative change to the SSA that allows all title IV-E agencies the option to operate kinship Guardianship Assistance Programs to support legal guardianships for eligible children.

- Six States (California, Florida, Indiana, North Carolina, Ohio, and Oregon) have received title IV-E waivers to implement what were referred to broadly as “flexible funding” waiver demonstrations. While varying widely in terms of scope, service array, organizational structure, and payment mechanisms, all of these demonstrations shared the core concept of allocating fixed amounts of title IV-E dollars to local public and private child welfare agencies in an effort to provide new or expanded services that prevent out-of-home placement and/or facilitate permanency. The fundamental assumption underlying flexible funding demonstrations was that the cost of these services would be offset by subsequent savings in foster care expenditures. Evidence from several States suggests that the availability of flexible IV-E funds increased children and families’ access to a wider array of child welfare programs and services. Findings regarding the impact of flexible funding demonstrations on child welfare outcomes are less conclusive, although Indiana documented statistically significant positive findings in the areas of placement prevention, exits to permanency, and placement duration. In addition, a number of States and counties (e.g., Florida and Alameda and Los Angeles Counties in California) documented large declines in their foster care populations, although the extent to which these decreases are attributable to their flexible funding demonstrations or to broader changes in child welfare policy and practice is unclear.
- Four States (Delaware, Illinois, Maryland, and New Hampshire) implemented waiver demonstrations that focused on providing services to families in which parental substance abuse places children at risk of maltreatment or out-of-home placement; Illinois’s demonstration remains active under a short-term extension pending approval of a second long-term waiver extension. While findings from most States have been mixed or inconclusive, Illinois documented statistically significant findings from both its original AODA² demonstration and its current extension, including higher reunification rates and reduced time in foster care.

Overview of Current Waiver Demonstrations

Results from the original waiver demonstrations implemented in the 1990s and 2000s have helped shape HHS’s priorities for demonstrations to be implemented under the new waiver authority promulgated in 2011. For example, as highlighted in HHS’s May 2012 Information Memorandum (ACYF-CB-IM-12-05) to State and Tribal title IV-E agencies, many past demonstrations emphasized the role of title IV-E waivers as a fiscal mechanism that gives greater flexibility to child welfare agencies in providing resources and services that prevent foster care and improve other outcomes for children. However, the Memorandum cautions that “while there has been significant emphasis in child welfare discussions in recent years related to financing mechanisms, it is unlikely that reorganizing funding mechanisms alone to support children and families prior to or after leaving foster care will improve outcomes for children. Fortunately ... there is a growing body of evidence suggesting that there are promising and effective approaches

²Alcohol and Other Drug Abuse.

to improve outcomes for children and families in which abuse and/or neglect has taken place or is likely to take place” (HHS, 2012). HHS’s recognition that funding flexibility alone cannot improve outcomes for children and families has informed the greater emphasis placed by HHS under the new waiver authority on the implementation of established or emerging evidence-based programs and practices (EBPs).

Along with a more explicit focus on the use of title IV-E waivers to implement and further test the efficacy of EBPs, the new authority prioritizes the implementation of both new and untested interventions that specifically promote child well-being. While noting dramatic improvements in some areas of child safety and permanency since the waiver authority was first created (e.g., the 22-percent decline in the national foster care population between FFY 2002 and FFY 2010), HHS’s Information Memorandum highlights the prevalence of behavioral health needs among children in the child welfare system. In addition, while the quality of data to measure performance in child safety and permanency has improved significantly as a result of major advances in many States’ automated child welfare information systems (SACWIS) and the establishment of the Child and Family Service Review (CFSR) process, the assessment and measurement of well-being has often lagged behind the measurement of safety and permanency and represents an important area for continued improvement (HHS, 2012). HHS’s interest in better tools for measuring well-being is reflected in the priority afforded to title IV-E agencies under the new waiver authority that seek to implement or expand the use of valid and reliable functional and clinical assessment instruments and protocols.

Nine States received approval to implement new waiver demonstrations in FFY 2012, while as of April 2013 six States (California, Florida, Illinois, Indiana, Ohio, and Oregon) have active title IV-E waiver agreements that were established under the original waiver authority.³ Indiana, Ohio, and Oregon currently operate waiver demonstrations under long-term extensions, whereas Florida, California, and Illinois continue under short-term extensions pending submission of proposals for new long-term extensions. Proposals for new waiver demonstrations for FFY 2013 are currently under review by HHS.

As shown in Table 1 on the following page, the new and ongoing demonstrations address a wide range of programmatic goals depending on their primary target populations of interest. Of the 14 States with active waiver agreements, nine have identified increased permanency for children in out-of-home placement as a primary goal while six States are placing special emphasis on foster care prevention. Reducing maltreatment recurrence and foster care re-entry are primary foci for four States each. Several States have also identified more specialized goals for specific target populations. For example, Arkansas, Colorado, and Oregon have a particular interest in reducing the entry of children into foster care for short periods (“short stayers”) by providing intensive, up-front services and supports to mitigate safety issues that may necessitate short-term placements. Massachusetts and Colorado are emphasizing the prevention of or step-down from congregate care placement settings, while Illinois (AODA) and Oregon are targeting caregivers with substance use disorders as a means for improving permanency and safety outcomes for children. Increasing placement stability is a particular interest to Arkansas, which reflects in part its interest in improving the State’s foster and kinship care recruitment and support systems.

³In addition to its existing AODA demonstration, Illinois is one of the nine States that received approval to implement a new demonstration in FFY 2012. The new demonstration is called *Illinois Birth to Three*, or IB3. *Summary of Child Welfare Waiver Demonstrations – April 2013*

Table 1 – Programmatic Goals and Implementation Status of Current Waiver Demonstrations⁴

State	Goals									Implementation Status		
	Prevent Foster Care Entry	Increase Permanency	Prevent Short Stays in Placement (“Short Stayers”)	Reduce/Prevent Placement Re-entry	Prevent Maltreatment or Maltreatment Recurrence	Address Behavioral Health Needs of Children	Improve Placement Stability	Prevent/Reduce Congregate Care Placements	Address Needs of Caregivers with Substance Use Disorders	Approved, Not Yet Implemented	Under Long-Term Extension	Under Short-Term Extension
AR	X	X	X				X			X		
CA		X		X								X
CO			X	X		X		X		X		
FL	X	X			X							X
IL AODA		X							X			X
IL IB3		X				X				X		
IN	X	X									X	
MA								X		X		
MI					X	X				X		
OH		X		X							X	
OR	X	X	X						X		X	
PA	X	X								X		
UT	X				X					X		
WA					X					X		
WI				X						X		

⁴This summary of the States’ primary programmatic goals/foci was derived from a review of the States’ Terms and Conditions and Initial Design and Implementation Reports (where available), supplemented by additional information (e.g., conference calls, site visit notes) where appropriate.

Programmatic Elements of Current Waiver Demonstrations

The diversity of the demonstrations' goals is reflected in the wide variety of services, programs, and organizational initiatives that the States are implementing or plan to implement using title IV-E funds. As shown in Table 2 on the following page, the most common programmatic initiative being implemented by the States is the establishment or expansion of clinical or functional assessment protocols for children and/or caregivers in the child welfare system; one common example is the Child and Adolescent Needs and Strengths (CANS) assessment instrument originally developed by John Lyons (1999). Accompanying this increase in the use of standardized assessment processes, at least eight States are introducing new or expanding existing trauma-informed and therapeutic services. Other widespread interventions include parent education or mentoring programs; initiatives to find, recruit, and support foster and relative/kin caregivers (Family Finding and Kinship Navigator are examples); intensive family preservation and stabilization programs (e.g., Mobile Crisis Teams in California and Florida). Less common but notable programmatic initiatives include family-centered case management models (such as Family Team Meetings), Permanency Roundtables, enhanced visitation programs (such as Oregon's Relationship-Based Visitation initiative), Alternative/Differential Response (which are being expanded or introduced in Arkansas and Washington), and other intensive case management approaches (e.g., Illinois' existing Recovery Coach model for its AODA demonstration).

Commensurate with the priorities articulated by HHS for new waiver demonstrations, many States are emphasizing the implementation of evidence-based and trauma-informed programs and practices, particularly in the areas of developmental and behavioral health; examples include Parent-Child Interaction Therapy, Trauma-Focused Cognitive Behavioral Therapy, and Multi-Systemic Therapy. In addition to programmatic interventions, several States are using or plan to use title IV-E dollars to pay for time-limited, case-specific concrete goods and services that promote family stability, such as assistance with transportation, child care, and rent or utility payments.

Although the focus of most demonstrations is on the implementation of specific programs and services, a number of States are also using their waivers to undertake or scale up broader organizational or systemic initiatives. For example, California, Florida, and Utah have used or are planning to use title IV-E funds to expand training and professional education efforts for child welfare caseworkers and supervisors. The planning and implementation of Massachusetts' new demonstration rests on a formal partnership between the State's Departments of Children and Families and Mental Health, while Los Angeles and Alameda Counties' participation in California's waiver has involved expanded case planning and service coordination in their respective child welfare and probation departments. Some States—including Indiana, Massachusetts, and Michigan—plan to use the flexibility afforded by their waivers to pilot new fiscal or contract procurement models that tie payments or the award of future contracts to service providers to the achievement of specified outcomes for children and families.

Table 2 – Intervention Categories of Current Waiver Demonstrations

State	Program/Service Interventions													Organizational/Systemic Interventions		
	Clinical/ Functional Assessments ⁵	Trauma-Informed/ Therapeutic Services ⁶	Family-Centered Case Mgt. Models ⁷	Permanency Roundtables	Resource/Kinship Family Recruitment & Support ⁸	Parent Education/ Mentoring	Substance Abuse Treatment	Enhanced/ Intensive Case Mgt.	Enhanced Visitation	Independent Living/Transition Services	Concrete Services/ Supports ⁹	Family Preservation/ Stabilization	Alternative/ Differential Response	Staff Training/ Education	Inter-agency Planning/ Collaboration	New Contracting/ Fiscal Models
AR	X	X	X		X	X						X				
CA	X	X	X		X	X			X	X	X		X	X		
CO	X	X		X	X		X									
FL					X					X	X		X			
IL AODA	X						X				X					
IL IB3		X				X										
IN																X ¹⁰
MA						X			X		X			X		X
MI	X	X					X			X						X
OH		X	X		X			X								
OR						X		X								
PA	X	X	X	X	X	X										
UT	X					X							X			
WA	X					X				X	X	X				
WI		X				X	X	X			X	X				

⁵Examples include the Child and Adolescent Needs and Strengths (CANS) assessment and the Ages and Stages Questionnaire.

⁶Examples include Parent-Child Interaction Therapy, Trauma-Focused Cognitive Behavioral Therapy, and Multi-Systemic Therapy.

⁷Examples include Family Team Meetings (FTMs) and Family Group Decision Making (FGDM).

⁸Examples include Family Finding and Kinship Navigator services.

⁹Refers to time-limited, case-specific concrete services and supports such as assistance with transportation, child care, utilities, rent, etc.

¹⁰The identification of specific programs and services to be implemented through Indiana’s waiver is pending the finalization of contracts with human service providers that will implement waiver-funded programs and services.

Evaluation Designs

As part of their waiver agreements, all States are required to conduct rigorous evaluations of their demonstrations that include process and outcome components as well as a cost analysis. Table 3 provides an overview of the evaluation designs that have been proposed by States with new waivers or that are being implemented by States operating under waiver extensions. Although HHS cannot give preference in granting waivers to States that propose evaluations involving random assignment designs, two States (Illinois and Michigan) are planning to evaluate their new demonstrations using random assignment. In addition, Illinois continues to assign cases randomly to experimental and control groups through its existing AODA waiver demonstration, as does Oregon as part of the evaluations of the Parent Mentoring and Relationship-Based Visitation projects it operates under its demonstration. A majority of States with new waivers have proposed variations on pre-post or longitudinal research designs in which historical changes in child welfare outcomes are tracked and analyzed over time; in some cases the statewide or systemic nature of the new States' waiver demonstrations makes random assignment or other more rigorous designs methodologically or practically infeasible; however, several States that are using longitudinal designs for their overarching evaluation approach also plan to implement one or more sub-studies that involve more rigorous comparison group or matched case designs.

While in general reflecting the primary programmatic intent of their demonstrations, collectively the States will explore a wide range of outcomes. As with earlier rounds of waiver demonstrations, the evaluations of all new demonstrations will examine changes in various aspects of child safety and permanency. For example, majorities of States will assess whether their waiver demonstrations contribute to decreased first-time entries in foster care, increased permanency (exits to reunification, adoption, and legal guardianship), less time in foster care, reduced maltreatment recurrence, and decreased re-entries into foster care. A number of States will also examine whether their demonstrations contribute to improved placement stability, i.e., fewer changes in placement settings while in out-of-home care. The more explicit focus of new demonstrations on improving child and family well-being is also reflected in the States' evaluations, with a total of eight new States (along with Indiana through its long-term waiver extension) studying the impact of their demonstrations on various aspects of child developmental, behavioral, or social functioning. Smaller numbers of States will evaluate other aspects of well-being, such as changes in parent/caregiver capacity and functioning, the use of residential treatment and other congregate care placement settings, and successful transitions to adulthood after leaving the foster care system.

In addition to outcomes in the traditional categories of safety, permanency, and well-being, all States will examine, to varying degrees, the impact of their demonstrations on child welfare organizations and service delivery systems. For example, all States will or are continuing to assess the effects of their demonstrations on the quantity and quality of child welfare and other human services as part of their process evaluations (e.g., changes in service access, the appropriateness of services, satisfaction with services). Some States plan to evaluate other specific elements of their child welfare service systems, including the supply and quality of foster/adoptive homes (Arkansas) and the knowledge and skills of child welfare personnel (Utah).

Table 3 – Evaluations of Current Waiver Demonstrations

State	Research Designs				Outcomes										
	Random Assignment	Matched Case (including PSM)	Comparison Group/Site	Longitudinal/Time Series	Safety		Permanency			Well-Being					
					Maltreatment Recurrence	Initial Foster Care Entry	Exits to Permanency ¹¹	Placement Duration	Placement Stability	Foster Care Re-entry	Successful Transitions to Adulthood	Child Developmental, Behavioral, Social Functioning	Use of Congregate Care	Caregiver Capacity/Functioning	Placement with Siblings
AR			X ¹²	X	X	X	X	X	X	X	X				
CA				X	X		X			X	X		X		X
CO		X ¹³		X								X	X	X	
FL				X	X		X	X	X	X					
IL AODA	X				X		X	X	X						
IL IB3	X						X	X		X		X			
IN			X ¹²	X	X	X	X	X	X	X		X	X		X
MA		X ¹³		X		X			X			X	X		
MI	X				X	X						X		X	
OH		X ¹⁴	X			X	X	X		X					
OR	X				X		X	X		X				X	
PA	X ¹²	X ¹²		X	X	X	X	X		X		X	X	X	
UT			X ¹²	X	X	X						X			
WA		X			X	X						X			
WI		X			X					X		X			

¹¹Includes exits to reunification, adoption, and legal guardianship.

¹²The State may conduct one or more sub-studies of specific service interventions using this research design.

¹³Colorado and Massachusetts are using a hybrid approach that matches cohorts of children in the child welfare system before or at the beginning of their demonstrations on a case-by-case basis with children who enter their systems following implementation; service utilization and outcomes for these matched groups will then be compared.

¹⁴Propensity score matching will be used by Ohio as part of a special sub-study to examine the outcomes of its Family Team Meeting and Kinship Support service interventions.

Some aspects of the new States' evaluations remain in development and will be more fully articulated in the formal evaluation plans that they will submit before implementing their demonstrations. All States, for example, must include a cost analysis component in their evaluations that documents, at a minimum, the costs of key elements of services received by children and families through the demonstrations and that examines the use of key funding sources, including Federal sources such as titles IV-A, IV-B, IV-E and XIX of the SSA, as well as State and local funds. Furthermore, several States are exploring the possibility of conducting a more in-depth cost-effectiveness analysis that estimates the costs of each successful outcome achieved through their demonstrations, for example, the average cost of preventing one additional placement into foster care. Many States are also finalizing the selection of standardized instruments for evaluating changes in child, caregiver, and family well-being over time. This process involves working with HHS to determine which instruments are appropriate for evaluative purposes and which are better suited for conducting initial assessments of clients' developmental and behavioral needs and strengths. In addition, HHS plans to work with the States to identify common instruments and measurement methods where feasible to facilitate some degree of cross-site data collection and analysis.

Further Reading

Additional information about the latest round of waiver demonstrations, including the details of specific programs and evaluation designs, will emerge as States with new waivers submit their Initial Design and Implementation Reports and evaluation plans, and as States operating under short-term extensions submit their proposals for long-term waiver extensions. For more detailed information regarding each State's waiver demonstration, please see the 2013 compendium available through the Children's Bureau titled *Profiles of Title IV-E Child Welfare Waiver Demonstration Projects*.

References

Lyons, J. (1999). Child and adolescent needs and strengths; An information integration tool for children and adolescents with mental health challenges. Available online at: <http://praedfoundation.org/About%20the%20CANS.html#Here>.

U.S. Department of Health and Human Services (HHS) (2012, May). *Information Memorandum ACYF-CB-IM-12-05: Child welfare demonstration projects for Fiscal Years (FYs) 2012- 2014*. Available online at: <http://www.acf.hhs.gov/programs/cb/resource/im1205>.