

Paper I

Social Care Practices and Some International Experiences

There is not much to be found in the international literature that resembles the idea of independent social care practices akin to GP practices in the UK. It is however obvious from the literature that the child foster care systems in many countries have been undergoing substantial changes. Some of those changes followed a comprehensive overhaul of the services which is the case in South-Australia and many states in the US such as Michigan, Kansas, Texas, Illinois, Florida. Some foster care systems are adjusting their services to major structural change, as in Denmark, while others are undergoing a more gradual profession-driven change, as in Sweden. These changes have in common that there is a clear separation between commissioning and provision of services, they have privatisation as an ingredient, and they apply almost entirely to the supply-side of the foster care system but not the demand-side. More precisely, they apply to the division of tasks and responsibilities between the public and the private sectors. However, they vary greatly in degree and motives.

The demand-side of the child foster care systems stays similar across countries like UK, Sweden, Denmark, Australia and the US, i.e. financing, child protection services and assessment of needs remain the responsibility of public authorities and public services. Usually social services departments keep a commissioning role. Needs for foster care placements are growing, the length of time in foster placement is increasing, there is more emphasis on placements with foster carers as opposed to residential care, and there are increasing concerns about outcomes and life chances for the looked after children and young people. Significantly, a call for more stability and continuity in the lives of children looked after by public authorities is a common feature across those countries. Australia, New Zealand and Canada have in common that there is an overrepresentation of indigenous children in foster care which has a supply-side effect since kinship care is prevalent and a distinctive and institutionalised feature of the foster care system¹.

On the supply-side of the foster care systems in those countries we find public as well as private provision of services in which independent private-non-profit fostering services have developed from a more voluntary based system. In addition the systems are now becoming increasingly more professionalised in the sense that more members of their staff who deal with looked after children and their fostering families have professional qualifications, mostly qualified social workers. Alongside public service organisations, these organisations provide foster care placements and various related services such as counselling, health and educational support services, training and support for foster carers, and regular visits and monitoring of the looked after children and young people.

Scandinavia

In Denmark and Sweden the public provision of foster care services is the dominant mode with private provision only on a small scale. Local authorities are the biggest provider but have been commissioning services from independent, non-profit, highly professionalised providers. Public and private provision has been seen as running hand in hand, since the private organisations have been an important source of support, reserve capacity and innovation, akin to the UK experience².

In Sweden the process of change has been gradual and part of a process of spontaneous privatisation where professionals have gone private and provide various types of services to local authorities, i.e. a profession-driven privatisation as a strategy for professionalisation³. In the field of foster care and services for looked after children a number of independent organisations work in partnership with local authorities all over Sweden offering local authorities information, professional as well as practical advice and a range of services for foster carers and their children, and some operate as interest groups raising awareness and improving the standard of services for looked after children⁴.

In Denmark the balance between the degree of public or private provision seem to be going in an opposite direction, i.e. moving from private back to public provision of foster care services. The public sector in Denmark is undergoing centrally-driven, major organisational restructuring involving big scale mergers of local authorities planned to improve their capacity to plan, finance and deliver a comprehensive set of services. Fewer but bigger local authorities are increasingly providing the full scale foster care services themselves and reducing the amount of services commissioned from private providers. In an attempt to maintain their share in the provision of foster care services, private providers are struggling to adjust in competition with local authorities by developing their services and moving into new areas within the child care service sector⁵. LAs provide most of these services themselves but have bought some services from these organisations often on an unplanned basis similar to “spot purchased” services purchased by LA from IFAs in Britain⁶. In 2005, one LA (Hillerød kommune) formed a public-private partnership with one of these organisations operating in the Copenhagen region (Fredriksborg Amt Family Care) in which the partners have established a more formal and long-term contract to co-operate⁷. The main objectives are a) more simplified administrative processes, b) improved coherence and continuity in the overall process of foster care placements and the carrying out of the care plan, and c) explore ways of cost-containment without reducing quality of services⁸.

Overall, Sweden and Denmark have much in common with the UK system of services for looked after children and young people^{9 10}. Although providing only a small proportion of total services provided for looked after children, a growing number of independent fostering providers has become increasingly more professionalised and staffed by qualified social workers, social pedagogues, teachers specialised in services for children with special educational needs and/or social workers trained as family therapists. Most social workers have a background in child care services inside the public sector, a considerable experience and expertise in this field of service provision, and are frequently cooperating with their professional colleagues in the public sector who have a similar mind-set and share the understanding of the process of planning services for children.

Also, the working arrangements do have more in common with what has been termed in the UK as “spot-purchasing” of services¹¹. However, the lessons from these countries offer little by means of independent evaluation in terms of measuring outcomes of services, whether in measuring contract performance or outcomes for the children. Countries with a more big scale publicly financed - privately provided foster care services may be more helpful in providing outcome-measures, performance indicators and eventually design of payment systems.

The Anglo-Sphere

In Australia and in Michigan, Kansas, Texas, Florida, Ohio and Illinois and some other states of the US the changes form a part of the liberalisation strategies for a more market orientation of the welfare state and as such they are politically planned or policy-driven. With an already large private sector in this field of service provision, the aim in most cases is now to complete the separation between commissioning and provision and to eliminate a dual foster care system by outsourcing all foster carer services, i.e. foster placement and related services, to the private sector through the use of performance-based contracting. In order to eliminate a potential conflict of interest in which the public sector through operating agencies providing both services and contracts for the same service was, in fact, regulating itself, a complete separation of these roles is viewed as improving the quality of foster care services by building a stronger accountability, leaving public authorities with the role of commissioning and regulation with an increased emphasis on contracting skills, strengthening of contract monitoring and licensing^{12 13 14}.

Neither the US experience nor the Australian one are beyond criticism. Independent evaluation of the Australian case is not positive. Under the requirements of the Australia’s National Competition Policy, foster care services in South Australia, responsible for recruitment, assessment, training and ongoing

support of foster carers were put out to public tender in 1997. After reviewing all of the tenders a decision was made to award the two metropolitan area services to two different providers. Under intense lobbying of the minister for family and community services by one of the agencies, that decision was overturned and both metropolitan areas were awarded to that agency¹⁵. In consequence, the competitive tendering in South Australia resulted in a monopoly provision of services in the metropolitan areas in which some old foster care services lost their funding and were squeezed out of service, and thus a capacity to deliver and compete for foster care services in the future went lost.

This experience does more in providing a route not-to-follow than a case to draw on in designing a model of social work practices as an independent component in a chain of foster care services for looked after children. For that purpose, lessons from the US cross states experiences can offer a bit of technical know-how from experimenting with various models and systems of performance indicators, outcome measures and payment systems under scrutiny from the U.S General Accounting Office¹⁶ and professional scrutiny of standards of care by the Child Welfare League of America¹⁷.

Kansas was the first state in the US to completely outsource its adoption, foster care and family preservation programmes and, with considerable public controversy, shift them to managed care or “capitated” payment methods in 1997¹⁸. In 2000 the “managed care” model, which had paid a flat rate per child, was changed to a system that reimbursed contractors monthly based on the number of children they serve. Kansas Action for Children, an advocacy group for children’s welfare issues commented that the managed care model had several problems, the foremost being a lack of attention to prevention programmes and services that keep children out of foster care in the first place. Other problems were a) lack of inclusive planning process involving all concerned parties, hurried implementation and no experimentation using pilot projects, c) lack of historical cost data to develop case rates, and d) lack of pool of child welfare staff that could be hired by contracts. The Child Welfare League of America released a report in 2003 analysing the Kansas experience. The report found that Kansas had moved too fast to full outsourcing in just one year and identified four major issues that should be taken into account by other states contemplating a similar system. These were: 1) rapid systemic changes are not advisable, 2) reliable cost data are crucial, 3) outsourcing will not necessarily control costs, and 4) outcomes and performance measures are critical and must be refined based on experience¹⁹.

A recent study in the U.S. Department of Health and Human Services found that per-diem payments encourage the inefficient use of state resources, because children may be categorised at a higher level of treatment – and cost – than is necessary. Capitated foster care system, also called managed care systems, are intended to control costs while guaranteeing the delivery of necessary services. At least 17 states in the US have used managed care system to provide foster care services. The states have paid monthly fixed amounts to foster care providers who are expected to plan for and meet all the needs of all children in their care. These amounts are calculated in advance of providing services, to allow providers to meet a range of different needs.

The study of the U.S. General Accounting Office (GAO) highlighted innovative financial approaches used in foster care in 27 localities across 14 states. It found that a number of states and localities were using managed care initiatives, and that they set performance standards, and incorporated financial incentives in their contracts to hold foster care providers accountable for performance and results. For example, the Illinois (2004) Department of Children and Family Services used a contract which specified that, when private child placing agencies reunite foster children with their families, the reunification must last for at least 12 continuous months if the agency is to claim a positive performance outcome. Illinois uses a system of bonus payments to enforce quality contracting provision. It offers bonuses to contractors that move more than a specified percentage of their caseload into permanent living arrangements. Illinois has been particularly recommended as a good model for an outcome-based approach for all foster care services. In Philadelphia (2003) the Division of Social

Services developed contract language directing foster care providers to measure their results through client outcomes, and worked with providers in developing its model. Philadelphia foster care providers are paid based on how well they can achieve positive outcomes for foster children.

The GAO study (2000) identified common outcome measures used to determine the success of performance-based contracting initiatives. Outcomes and measures are grouped into five categories including 1) safety, 2) permanency, 3) well-being, 4) stability and 5) satisfaction. The initial evaluation of these initiatives found that about half of them moved greater numbers of children into permanent homes, and often more quickly, than conventional programmes. The study also cited improvements in school performance, family relationships and parenting skills²⁰.

Preliminary Conclusions

So far, there is not much to be found in the international literature resembling the idea of social care practices akin to GP practices in the UK. This idea seems to be quite innovative and thus deserve some attention in terms of piloting in which a carefully design model, sensitive to the particularities of the UK context can be tested out.

However, there are lessons to be learned about the systemic effects of a policy-driven intervention and the dangers of monopoly (Australia), about the design of contracts, i.e. performance indicators and outcome measures (various US experiences), and about the role of the purchaser/provider split in creating more independent and autonomous decision-making, and thereby driving professionalisation (Scandinavia).

References:

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- ² Sellick, C. (2006) "Opportunities and risks: Models of good practice in commissioning foster-care." *British Journal of Social Work*, **36**(6), pp.1345-1359.
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- ⁴ Familjehemmens Riksförbund website, www.hos.nu.famriks .
- ⁵ Phone interview with Kirsten Holm-Petersen, Director of Danish Foster Care Association, December 22nd 2006.
- ⁶ Sellick, C. (2006) "Opportunities and risks: Models of good practice in commissioning foster-care." *British Journal of Social Work*, **36**(6), pp.1345-1359.
- ⁷ An arrangement Sellick (2006) has referred to as "a middle position" of local authorities and IFPs entering into service level or contractual agreements in Britain, a position being in between "spot purchasing" and "outsourcing" all or most of foster care responsibilities to private or voluntary agencies.
- ⁸ Familjeplejen Danmark (Danish Foster Care Association) Annual report 2006, available online www.famdk.dk .
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- ¹⁰ Sellick, C. and Howell, D. (2004) "A description and analysis of multi-sectoral fostering in the United Kingdom". *British Journal of Social Work*, **34**(4), pp.481-499.
- ¹¹ Sellick, C. (2006) "Opportunities and risks: Models of good practice in commissioning foster-care." *British Journal of Social Work*, **36**(6), pp.1345-1359.

¹² Barber, J. G. (2001) "The slow demise of foster care in South Australia". *Journal of Social Policy*, 30(1), pp.1-15.

¹³ Barber, J. G. (2004) "The systematic abrogation of practice standards in foster care". *Australian Social Work*, 57(1), pp.31-45.

¹⁴ Texas State Comptroller (2004) "Forgotten Children": A Special Report on the Texas Foster Care System, April 2004.

¹⁵ Barber, J. G. (2001) "The slow demise of foster care in South Australia". *Journal of Social Policy*, 30(1), pp.1-15.

¹⁶ U.S. General Accounting Office, "Child Welfare: New Financing and Service Strategies Hold Promise but Effects Unknown," Washington D.C., July 20, 2000.

¹⁷ Child Welfare League of America,(2003) An Assessment of Privatization of Child Welfare Services: Challenges and Successes, by Madelyn Freundlich and Sarah Gerstenzang. Washington D.C., 2003.

¹⁸ Texas State Comptroller (2004) "Forgotten Children": A Special Report on the Texas Foster Care System, April 2004, p.21.

¹⁹ Texas State Comptroller cites Child Welfare League of America,(2003) An Assessment of Privatization of Child Welfare Services: Challenges and Successes, by Madelyn Freundlich and Sarah Gerstenzang. Washington D.C., 2003, pp. 49-61, 64-71.

²⁰ Texas State Comptroller cites U.S. General Accounting Office, "Child Welfare: New Financing and Service Strategies Hold Promise but Effects Unknown," Washington D.C., July 20, 2000.