DHHS Performance-Based Contracting & Invoicing

Presenters:

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HISTORY

- Performance-based contracting (PBC) was developed in the USA for Defense application
- PBC is about buying Performance, not transactional goods and services
- Focuses on developing strategic performance metrics and directly relating contracting payment to performance against these metrics
- defined as one that
- "focuses on the *outputs*, *quality* and *outcomes* of service provision and may tie at least a portion of a contractor's payment as well as any contract extension or renewal to their achievement" (Martin, 1999)

HISTORY

- In other words, moves contracting away from its historical reliance on input and process *design* specifications (telling contractors how to perform the work)
- In favor of output, quality and outcome *performance* specifications (telling contractors what is expected) and leaving the how-to up to them.
- PBC is becoming popular in Health Services & Human Services including Substance Abuse and Mental Health Services
- In the late 90s and early 2000s state human service departments began experimenting with the use of PBC
- Several state legislatures have mandated that all human service contracts be performance based

HISTORY

- United States federal law treats PBC as "the preferred method for acquiring services". 48 CFR 31
- Office of Fed Procurement Policy & Office of Management & Budget Office of the President released **best practices** for SOW & quality assurance plans in awarding & administering performance–based contracts.
- **Almost all federal services contracts are now performance based**
- In 2006, DHHS introduced the concept of outcomes and program Logic Model to its POS contracts.
- Some outcomes were included in RFP program descriptions, others already set by state or federal guideline and in some cases, agencies proposed their own program outcomes on Logic Model.

History (Cont'd) . . .

- Currently most programs have program division-defined outcomes unless prescribed by State or Federal program guidelines.

- However, it was still left to agencies to determine how to collect & submit performance data, even though all of them report on annual Logic Model (changes to Logic Model to be discussed later in presentation)

PURPOSE

- Program Fidelity & Integrity

- Reliable Data

- Standardized Tools for Reporting to enhance objectivity, uniformity and avoid computation errors

PURPOSE

- A major objective in measuring contract performance is reliability. Reliability deals with consistency & objectivity:
- A reliable measuring system is one that reaches the same conclusion each time in repeated observations of the same data.
- Contractor Performance Measures were developed to promote greater uniformity, objectivity and ensure greater transparency.

PURPOSE

- Major initiative undertaken in 2015 to phase in Performance Based contracting over a 4-year period by focusing on programs up for competitive proposal
- Most programs up for competitive RFP in 2016 & 2017 had performance outcomes and measures identified in RFP
- For these programs, 2016 & 2017 will be used to establish a baseline for Performance Standards

PURPOSE

- This year continues this work by further refining processes, procedures & tools for data sources, collection & submission procedures
- Those outcomes, measures benchmarks and associated tools are further refined with additional input from respective stakeholders and consumers.
- Processes, procedures and forms for submission of performance results on POS Revenue and Expense Reports and billing for performance incentives

DHHS Performance Contracting

Three Phases identified for implementation:

- Development phase
- Baseline data collection (Acclimatization) phase
- Implementation phase

Phase One - Development Phase

- ✓ **Collaborate with DHHS Program Managers and Division Admin**

- **For each Program a separate Workgroup is established to review existing Program Outcomes** (per RFP Program Descriptions, Annual Reports/Logic Models, etc.)

  - **Determine Key Components to the Success of the Program** (Are the existing outcomes measuring what we want to be measuring?)

  - **Analyze Data**; performance benchmarks and actual achievements over past 1-2 years by agency as well as agency tools for collecting/ calculating outcomes

  - **Obtain Feedback;** workgroup's analysis shared with Division Admin

Performance Measure Table

PERFORMANCE MEASURES TABLE (use this table as a guide to collect and report outcomes, i.e., collection tools and logic model)														
											COLLECTION TOOLS SUBMISSIONS to DHHS - dhhsPERF@milwaukeecountywi.gov REVISED REPORTING SCHEDULE: March, June, Sept, and Dec.			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
No.	EXPECTED OUTCOME/or OUTPUTS (specific ways in which clients are expected to benefit)	DESCRIPTION	INDICATORS	Protocols for Outcome Measurement	PERFORMANCE STANDARD (EXPECTED LEVELS OF OUTCOME ACHIEVEMENT)	NUMERATOR - /SOURCE	DENOMINATOR - /SOURCE	EXCLUSIONS	CALCU-LATION	SOURCE DOCUMENT	COLLECTION TOOL	REPORTING TOOL	REPORTING FREQUENCY OF AGENCIES TO DHHS	INCENTIVE-BASED (Y/N)
1	**Youth referred will successfully complete the program**	40 Hour Program: weekend and/or after school report centers. All youth who start the program more than once (regardless of reason), must have a NEW enrollment date	The number and percent of youth who complete the program		**65%** of youth referred will **successfully complete** the program	No. of Youth who successfully completed program during review period	Total No. of Youth referred to program during review period	if reporting period ends and youth is still in process of completing sessions (exclude from denominator/all-owed once per youth) OR if HSW withdraws referral during reporting	% Compliance = Num/Denom minus (-) any Exclusions	Project Excel Attendance/Participation Logs	**tool name**	Logic Model (due annually to DHHSCA@milwaukeecountywi.gov)	- DHHS Collection Tools **REVISED REPORTING SCHEDULE**: **March, June, Sept, and Dec.** (due no later than Last Monday of following Reporting Period month end), AND '- Logic Model due Annually	**Y**

Collection Tool

OUTCOME 1: '65% of youth referred will successfully complete the program'

compliance score > 100%

6/30/2016

Saturday (S) program/ 10 weeks or Weekday (W) / 10 days

Yellow cell contain formulas, Enter values in Grey cells only

Only enter a completion date if Youth completed the Program

Please Mark "X" in this column for all active clients

Enter X to override a comment stating the exclusion

DATES ->		Mark X In all active clients	REFERRAL DATE in PROGRAM	Freq of Service per Week (S or W)	Ist Date of Participation	2nd Date of Participation	3rd Date of Participation	4th Date of Participation	5th Date of Participation	6th Date of Participation	7th Date of Participation	8th Date of Participation	9th Date of Participation	10th Date of Participation	11th Date of Participation (make-up day, if applic)	12th Date of Participation (make-up day, if applic)	COMPLETION DATE in PROGRAM	DISCHARGE DATE (if youth didn't complete Program)	If HSW withdraws referral - then will be EXCLUDED, Enter X	SUCCESSFUL COMPLETION (1=successful, U=unsuccessful)	# of Active Consumers		
#	YOUTH NAME (last name, first name) v				ENTER INFORMATION BELOW (Dates) - for Absences: Mark E (excused) or U (unexcused)															11	11	Exclu sion	Comment
1		x		S	1/9	1/16	1/23	1/30	2/6	2/13	2/20	U	3/5	3/12	E	4/2	4/2			1	1		
2		x		W	1/23	1/30	2/6	2/13	2/20	2/27	3/5	3/12	3/19	4/2			4/2			1	1		
3		x	1/21	S	1/30	2/6	2/13	2/20	2/27	3/5	3/12	3/19	4/2	4/9			4/9			1	1		
4		x		S	1/16	1/23	1/30	E	2/13	E	2/27	3/5	3/19	4/2	4/9	4/16	4/16			1	1		
5		x		S	2/6	2/13	2/20	2/27	3/5	3/12	3/19	4/2	4/9	4/16			4/16			1	1		
6		x	3/21	S	4/2	4/9	U											4/16		X	0		
7		x	3/17	S	4/2	E	4/16	U	4/30									4/30		X	0		

Phase One - Development Phase

- ✓ **Obtain Consumer Input**
  - Determine what's meaningful/important to the consumers
    - Listening sessions
    - Consumer survey
    - Other (e.g., consumer advisory panel)
  - Based upon consumer input, new or revised outcomes are identified

Phase One - Development Phase

- ✓ **Collaborate with ALL agencies under contract for Program**

  - Meet in person with agencies; share Performance Measures Table and Collection Tools

    - Obtain feedback/suggested revisions to proposed Outcomes and Collection Tools

  - Based upon agency feedback, update Outcomes and Tools
  - Share Final Performance Measure Table and Tools with Agency to use

Phase Two- Baseline Data Collection

✓ **Reporting of Performance Outcomes**

- Agencies start Collecting and Reporting on Outcomes per guidelines described in Performance Table
- Collection Tools and ‘Performance Outcomes Summary are submitted following each reporting period for each outcome (i.e. quarterly, bi-annual, annual)
- Division Program Staff reviews Collection Tools; performance benchmarks, outliers, etc.
- DHHS Quality Assurance Spot checks submitted Tools
- Outcomes or benchmarks may be revised as necessary during baseline period
- Agency also starts reporting the outcomes (percentages) achieved on their POS invoices

Phase Three – Implementation Phase

- ✓ **Performance Outcomes are incorporated at time of New Contract execution**
    - Program determines the total incentive for the contract (fixed amount or percentage of the total contract)
    - Program allocates the total incentive to all or some of the Performance Outcomes which is itemized in the Performance Outcomes Summary
    - Agency submits Collection Tools and 'Performance Outcomes Summary' following each Reporting Period

      (i.e. quarterly, bi-annual, annual)
    - Division Program Staff reviews Collection Tools; performance benchmarks, outliers, etc.
    - Agency starts reporting the outcomes (percentages) achieved on their POS invoices
    - Agency may get paid based on benchmarks achieved (i.e. quarterly, bi-annual, annual)

Performance Outcome Summary

Summary of Performance Outcomes and Incentives

Division	HD	Year	2017
Program	Your Service		
Agency	Your Agency		

Q for Quarterly reporting outcomes Mar, Jun, Sep, Dec
S for Semi Annual reporting outcomes June , Dec
A for Annual reporting outcomes Dec

Agencies need to fill blue area with Outcome achieved % from collection tools and submit with Collection tools to email: DHHSperf@milwaukeecountywi.gov

DHHS staff entry
Agency Entry
Formula

Base Contract Amount	$	180,000
Performance Incentive Amount	$	20,000
Total Contract	$	200,000

Outcome Number	Brief Outcome Description	Tool #	Outcome Standard %	Reporting Interval	Incentive Based	Approved Annual Incentive Budget	Mar 31	Jun 30	Sep 30	Dec 31	Average
Column 1 Performance Table	Column 2 Performance Table	Column 12 Performance Table	Column 6 Performance Table	Column 14 Performance Table	Column 15 Performance Table		Enter % achieved from Collection tool				
				Enter Q or S or A	Y/N	$	%	%	%	%	
1	Consumers will complete a Personal Recovery Crisis Prevention Plan and Pre and Post Test	HD-1T	100%	Q	Y	$ 5,000	90%	100%	100%	100%	98%
2	Consumers will improve in accomplishing activities of daily living (ADL)	HD-2T	70%	S	Y	$ 5,000		70%		75%	73%
3	Consumers will show no mental health symptoms or substance abuse that require emergency services	HD-3T	70%	Q	Y	$ 5,000	70%	70%	60%	75%	69%
4	Consumers will complete a self-reported survey										

Logic Model Changes

- Program Logic Model (Annual filers) is currently due on August 1 of every year covering the period from July of prior year to June of current year
- **Date of submission is changed to 2nd Friday of May** (i.e. May 12, 2017)
- **Period to report is also changing to Jan to Dec 2016**.
- If your program moved to new standardized outcomes in 2016, only report period covered by standardized outcomes
- Email to submit is still the same DHHSCA@milwaukeecountywi.gov

CHANGES TO BILLING FORMS (REVENUE & EXPENSES REPORT)

Changes to Contract Attachment 1

Target Group	Program Area	Total Agency Program Budget	Total Units	Cost Per Unit	Total Agency Clients	Contract (Base & Incentive)	Total Contract	County Units	Payment Method
Intellectual Disabilities									
	Supportive Living Options Program*	$416,770	NA	*	NA			NA	
	Base Contract Amount					$45,000			4
	Performance Incentive Amount#					$5,000			7
	Total Contract Amount						$50,000		
									6
	TOTAL AGENCY	**$416,770**				**$50,000**	**$50,000**		

*** Case Management Services: Unit Rate: $10.75 Type of unit billed: 1/4 hour**

Daily Living Skills Training: unit rate: $9.54 Type of unit billed: 1/4 hour

Changes to Revenue & Expenses Report

- Added a **new Performance Incentive Tab** to the Expenses & Rev Report

Disability	Disability		Division	HD	Certified	Certified by
Method:	7	Lower of net Expenes or Cumulative 1/12th			Agency Representative	
Program	Program				Email	email
Contact	Contact				Phone #	(123) 456-7800
	Starting Month	Ending Month			Fax #	(123) 456-7890
Contract	JANUARY	DECEMBER	Reimbursement	Partial		

is due with April Invoice in May, However final billing need to be submitted with Final Invoice of Contract in January.

Q for Quarterly reporting outcomes Mar, Jun, Sep, Dec
S for Semi Annual reporting outcomes June , Dec
A for Annual reporting outcomes Dec

					Enter % Achieved											
Outcome Number	Brief Outcome Description	Tool #	Outcome Standard %	Reporting Interval	Mar 31	June 30	Sep 30	Dec 31	Mar 31	June 30	Sep 30	Dec 31	Mar 31	Year-To-Date Incentive	Approved Incentive Budget	YTD Under-earning
				Enter Q or S or A	Enter Actual %	Enter Actual %	Enter Actual %	Enter Actual %	Incentive earned	Incentive earned	Incentive earned	Incentive earned		$	$	
1	Consumers will complete a Personal Recovery Crisis Prevention Plan and Pre and Post Test	HD-1T	100%	Q	75%				-	-	-	-	0	0	5,000	(1,250
2	Consumers will improve in accomplishing activities of daily living (ADL)	HD-2T	70%	S					-	-	-	-	0	0	5,000	-
3	Consumers will show no mental health symptoms or substance abuse that require	HD-3T	70%	Q	85%				1,250	-	-	-	1,250	1,250	5,000	-
4	Consumers will complete a self-reported survey	HD-4T	70%	S					-	-	-	-	0	0	5,000	-
5	Certified Peer Specialists will complete approved continuing education	HD-5T	100%	A					-	-	-	-	0	0	0	-
6									-	-	-	-	0	0	0	-
7									-	-	-	-	0	0	0	-
8									-	-	-	-	0	0	0	-
9									-	-	-	-	0	0	0	-
10													0	0	0	

Changes (cont'd) ... **Instruction tab**

15 **Performance Incentive Tab:** If your program has standard performance outcomes you need to fill and report them on performance Incentive Tab . Please pick the correct reporting period on the top. Then fill the grey cells (cell H14 to K23) to report the outcome achieved based on the Collection Tools used for respective outcomes.

For reporting quarterly basis outcome you need to enter data into all cells of the Qtr Column. Example for March 31 Quarter you need to fill cell H14, H15, H16 etc.
For reporting Semi Annual Outcomes you need to report the details only in June 30 and Dec 31 Columns against respective outcomes, and leave the Mar 31 (col H) and Sep 30 (Col J) Blank.
If you are reporting an outcome which has Annual reporting, you will report it only in Dec 31 column (Col K) against respective outcome.

Reporting Interval	Mar 31	June 30	Sep 30	Dec 31
Enter Q or S or A	Enter Actual %	Enter Actual %	Enter Actual %	Enter Actual %
Q	50%	100%	75%	90%
S		60%		80%
A				60%
S		50%		70%
Q	100%	100%	80%	90%

Performance Invoice submission dates
Quarter ending March 31 Bill due with April Invoice in May For 2017 it is May 12
Quarter/Semi Annual ending June 30 Bill due with July Invoice in August For 2017 it is August 14
Quarter ending September 30 Bill due with October Invoice in Nov For 2017 it is Nov 14
Quarter/Semi Annual/Annual ending Dec 31 Bill due in January with Final Invoice usually last week of Jan

Changes (cont'd) . . . Underearning

(if applicable)

May Units	June Units	July Units	August Units	September Units	October Units	November Units	December Units	Final Units	Year-To-Date Units	Approved Budget Units
-	-	-	-	-	-	-	-	-	-	-

May Units Earned $	June Units Earned $	July Units Earned $	August Units Earned $	September Units Earned $	October Units Earned $	November Units Earned $	December Units Earned $	Final Units Earned $	Year-To-Date Units Earned	Approved Unit Rate
-	-	-	-	-	-	-	-	-	-	$ -
Expeneses	**Units Earned**			**Current Month Contract**			**15,000**		**Amount Earned to date**	Annualized Under earning
49,000	-		Lower of Prorated Contact, Net Expenses or POS Units earned					Base Contract	45,000	
								Performance Incentive	1,250	**(1,250)**

Changes (cont'd) … **Example**

- Revised (Billing Form)

SUBMISSIONS to DHHS

- Collection Tools and Performance Outcomes Summary are submitted to DHHSPERF@milwaukeecountywi.gov

- Logic Model will continue to be sent to DHHSCA@Milwaukeecountywi.gov

- POS Billing Forms will continue to be sent to DHHSAccounting@milwaukeecountywi.gov

All POS Billing Forms (2017) are available at
http://county.milwaukee.gov/ContractMgt15483.htm

QUESTIONS?

Contact Information

Contract Service Coordinators:

- **Delinquency and Court Services Division**
  Theresa Randall, (414)257-6869 Theresa.Randall@milwaukeecountywi.gov

- **Disability Services Division**
  Rachna Kalia, (414)289-5871 Rachna.Kalia@milwaukeecountywi.gov

- **Housing Division**
  Jim Sponholz, (414)289-5778 James.Sponholz@milwaukeecountywi.gov

- **Management Services**(Energy)
  Diane Zettelmeier, (414)289-5744 Diane.Zettelmeier@milwaukeecountywi.gov

Clarification of Performance Table and/or Collection Tools

Diane Krager, QA Coordinator, (414)289-5886 Diane.Krager@milwaukeecountywi.gov

Technical Assistance (forms, collection tools, etc.)

SumanishKalia, CPA Consultant (414)289-6757 Sumanish.Kalia@milwaukeecountywi.gov

Other Program Related Questions-

please contact Division Program Staff

Thank you for your participation!

Have a Great Day!

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