


Managing Risk and Costs Using Data-Based Decision Making

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Dawn Project

- Serves youth with serious emotional disorders
- Youth are at risk for or have a history of residential placement
- Receives referrals from several child serving systems
 - (i.e., child welfare, juvenile justice, education, and mental health)




Dawn Project

- 60% of youth are in costly out-of-home placement at time of referral
- Youth represent a substantial financial burden to the systems mandated to serve them




Managing Costs

- Per client per month case rate (\$4379)
- Benefits:
 - Flexibility
 - Child and family teams make the decisions and purchases needed services
 - Helps system partners manage costs




Managing Costs

- Per client per month case rate (\$4379)
- Pitfalls:
 - Presupposes that you will make money in some instances and lose money in others
 - Balancing out is NOT guaranteed
 - ...It's risky!




Purpose of Study

- Dawn Project costs were soaring and we needed to learn how to manage risk
- Hypothesized:
 - methods used by managed care organizations to manage costs and risk could be employed successfully
 - Employing such risk management methods would not adversely impact youth outcomes




Managing Risk

- How many youth will use services?
- How many units of services will each youth use?
- How much does one unit of service cost?




Method

- Each of the risk determining factors were examined by using residential treatment data
- Data was analyzed by looking for changes over time
 - Time was defined in terms of the year of Dawn Project enrollment
- Outcomes were tracked overtime by using the CAFAS




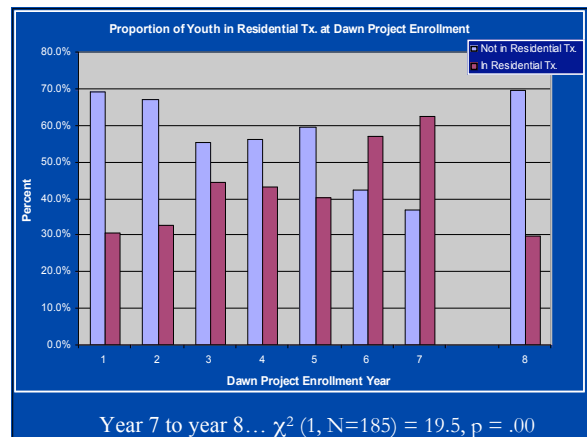
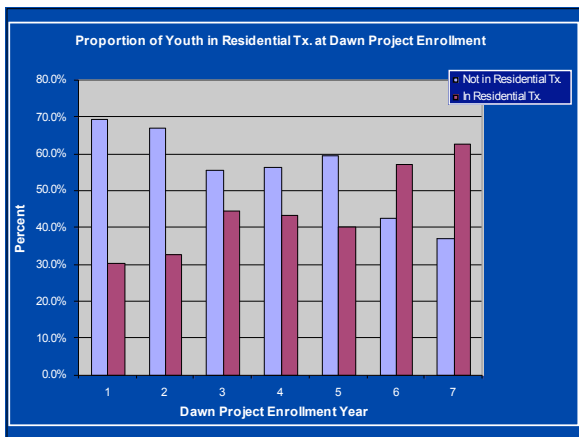
Method

- All juvenile justice and child welfare youth referrals between May 1, 1997 and April 30, 2005 were examined (N=667)
- Data were obtained from The Clinical Manager (TCM)
- Analyzed using SPSS
- Statistical significance relies on an alpha level of .05




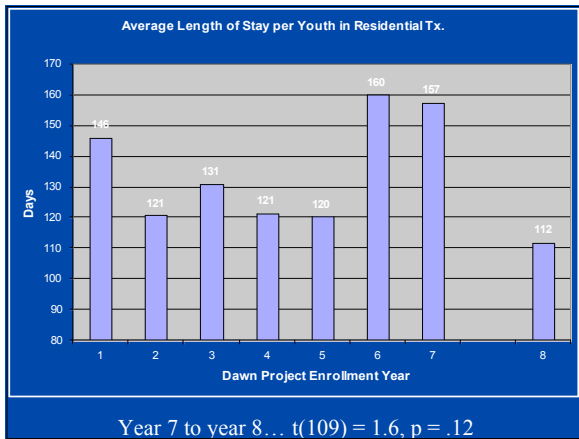
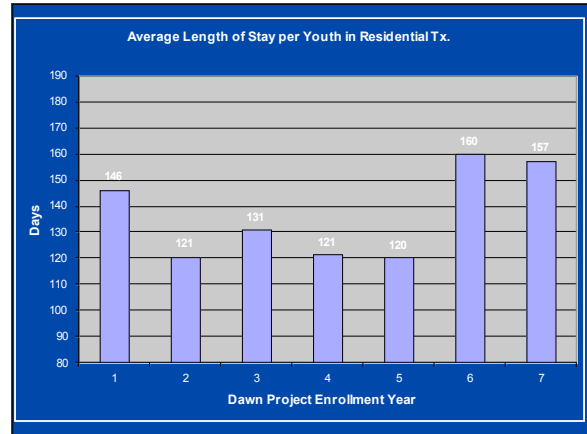
Results and Discussion

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Results and Discussion

- ANOVA revealed average per day rate for residential treatment did not vary by year of service cost
 - $F(7, 558) = 1.3, p = .24$
 - Average per day rate was \$239 (SD=52.5)




Results and Discussion

- Did reducing cost negatively impact the client's outcomes?
 - Assessed using the CAFAS
 - Difference scores computed by taking the total score at disenrollment from the total score at enrollment
 - Compared years 7 and 8




Results and Discussion

- Did reducing cost negatively impact the client's outcomes?
 - Year 7 difference score was 44.2 (SD=49.7)
 - $t(56) = 6.7, p = .00$
 - Year 8 difference score was 24.2 (SD=64.3)
 - $t(23) = 1.8, p = .08$
 - Year 7 to year 8
 - $t(79) = 1.5, p = .13$



Conclusions

- Methods used by managed care organization to manage costs and risk could be employed successfully at the Dawn Project
- Risk management methods did not adversely impact youth outcomes



Conclusions

- Suggests that risk management methods used by managed care organizations can successfully be used in a system of care environment
- Risk management methods decrease costs and help manage the inherent risk when using a case rate

