


Analyzing a System of Care Using a Unique Cost/Benefit Model

In most traditional Cost/Benefit Models, a singular approach to determining the cost of administering a program starts with the money required to fund and maintain program over the span of a fiscal year. The approach sums up salaries and benefits, overhead, operating costs and other expenditures such as education and perks. Then, this cost is divided amongst service units to determine the cost of service delivery.

While this approach provides a solid foundation for determining operating costs, it is ill-suited for determining the merit and worth of service delivery. It is even less adequate in determining the cost/benefit ratio for preventive programs. The following model takes the philosophy of "Providing Youth/Family Stability" and follows this simple belief down to the cost of delivering this philosophy and then to the monetary benefits of this belief system.

Before starting this process, it is important to remember that the sum of the parts is not always equal to the whole. Simply put, it can be difficult to assign a monetary value to certain aspects of service delivery. However, we must make a concerted and conservative attempt. Our stakeholders demand this and our youth and families deserve the proof that their programs are efficacious and worth while.



STEP ONE: Describe Service Delivery

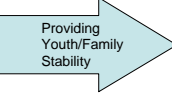

In basic terms describe what you do for your youth/family:

Simple Example:

- "I call my youth every day after school."
- "I make sure my mom gets a birthday card from the kids."
- "I found a new pair of tennis shoes for my youth."

Complex Example:


- "I went to court with my youth and family."
- "We talked about what his grandma's death meant to him."
- "I helped mom set up a chore schedule for the kids."

The purpose of this exercise is to look at the day to day behaviors or actions of folks and determine if these behaviors are "Providing Youth/Family Stability." It is important not to get caught up in describing or accounting for each and every behavior/ action but to look at patterns and groups of behaviors/actions for common themes.

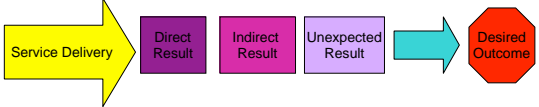

Common themes help organize the focus of a program. Are we providing services that help our families or are we just doing things that seem to not have a purpose? We found that we needed to articulate our purpose (main goal) – not in political terms or in a generic mission statement but in a way that we could look at our behaviors and actions and make a simple determination whether we were moving in the right direction or not.

The Big Picture: Our community decided that we wanted our youth and families to be together, in their communities and to be as successful as they possibly could. Kids Net was there to assist youth and their families in this endeavor.



STEP TWO: Describe Outcomes (The Result of Service Delivery)

This part of the Cost/Benefit analysis requires folks to engage in dialogue about what the results of their service delivery is. Some results are easy to name while other results may be hidden or difficult to connect to service delivery. More often than not, direct (immediate) results are listed while indirect (secondary or tertiary) results are not looked for or identified. The process of stating what results should be expected and what results are actuated helps us evaluate our program and service delivery. Are we doing what we said we would and do we have the evidence to prove it?

The Results of Service Delivery

Service Delivery: "I call my youth every day."


What is the result of this service delivery:

From the youth's perspective: "Someone cares about me and what is going on in my day."

From the parent's perspective: "I have help with my child. Someone else is there that listens and helps me deal with my son."

From the family advocate's perspective: "I make sure that my youth has someone to talk with every day. I listen and help him stay clam – make good choices or at least better choices. I help him problem solve and stay out of trouble."


From a program perspective: "This young man has not had a serious crisis – not threatened suicide, run away, or had a psychiatric hospitalization in three months. He used to have at least one hospitalization a month."



Direct Results

Direct Results are the specific targeted outcomes of service delivery. These results are the products of our behavior. It is essential that a program demonstrate and name those results. Once those results are identified, the social and monetary values can be determined. The following list is an example of the direct results of behaviors associated with "Providing Youth/Family Stability":


1. Keeping our youth out of residential settings;
2. Keeping our youth out of psychiatric hospitals;
3. Keeping our youth out of juvenile detention centers;
4. Providing assessments and screenings for our youth and families;
5. Keeping our youth out of 90 day in-patient assessment facilities;
6. Maintaining stable living conditions for families and youth;
7. Organizing community donations for youth and families;
8. Helping caretakers keep or obtain a job.



Indirect Results

Indirect Results are often called unintended or unanticipated results of service delivery. These results may often be surprising and can become some of the most beneficial aspects of service delivery. It is important not to overlook indirect results – it is often the data from these results that can change or support ongoing service delivery. The following is a list of some of the indirect results discovered within in KidsNet System of Care:

1. Caretakers obtaining mental health and substance abuse treatment;
2. A negative rate of contact with the juvenile justice system;
3. A reduction in the 'paper chase' between agencies servicing youth and families;
4. Avoidance in foster care placement;
5. Avoidance of homelessness of youth and families;
6. Maintaining stable living conditions for families and youth;



STEP THREE: Assigning monetary values to Outcomes

This step will require the ability to access local, state and national resources and research information. While data will vary from community to community, a conservative assignment based on available information provides a solid background for determining efficacy of a program. The cost of services is at best a moving target – some numbers will be fixed or 'hard' information while other numbers will be estimates or 'soft' information. Using triangulation (getting data from several different sources) is the best way to stabilize data for cost/benefit analysis. When in doubt, use the most respect source of data and the word 'approximate'.


The following summary of direct cost/benefits and indirect cost/benefits is the end result of one year of service delivery for KidsNet System of Care. While this was a good effort, several issues remain at large – the cost and savings of medication management; the cost and saving of mental health and substance abuse treatment for caretakers; and finally the long term effect of avoiding institutionalization while providing good care for our youth and families. There is enough information concerning the cost of providing care to homeless folks that this extension of System of Care benefits is within our reach.



Summary of Cost of Care


❖ **Cost of Operating KidsNet**

Operating Cost	\$ 500,000.00
Additional State Cost	
Residential	\$ 499,654.93
Psychiatric Inpatient	\$ 54,417.00
TOTAL YEARLY COST	\$1,054,071.93
Cost per Child	\$ 13,513.74



Summary of Benefits

❖ Direct Savings	
Residential	\$1,302,448.00
Multi-Agency Team for Children	\$ 266,206.00
Parental Jobs	\$ 133,250.00
Family Living Stability	\$ 58,500.00
Psychiatric Inpatient	\$ 61,364.00
Assessments	\$ 13,975.00
Community Donations	\$ 6,449.00
TOTAL DIRECT SAVINGS	\$1,842,192.00
Savings per child:	\$ 23,617.86
❖ Indirect Savings	
Foster Care Savings	\$ 278,460.00
System of Care	\$ 168,750.00
Shelter Savings	\$ 82,223.00
TOTAL AVOIDANCE SAVINGS	\$ 529,433.00
Savings per child:	\$ 6,788.00
TOTAL SAVINGS Per Child:	\$ 30,405.85



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