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**Appendix C**

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ORREN G. HATCH, UTAH, CHAIRMAN  
 CHUCK GRASSLEY, IOWA  
 MIKE CRAPO, IDAHO  
 PAT ROBerts, KANSAS  
 MICHAEL B. ENZI, WYOMING  
 JOHN CORNYN, TEXAS  
 JOHN THUNE, SOUTH DAKOTA  
 RICHARD BURR, NORTH CAROLINA  
 JOHNNY ISAKSON, GEORGIA  
 ROBERT MANN, OHIO  
 PATRICK J. TOOMEY, PENNSYLVANIA  
 DANIEL COATES, INDIANA  
 DEAN HELTER, NEVADA  
 TIM COTTE, SOUTH CAROLINA

CHRIS CAMPBELL, STAFF DIRECTOR  
 JOSHUA SHEINMAN, DEMOCRATIC STAFF DIRECTOR

## United States Senate

COMMITTEE ON FINANCE  
 WASHINGTON, DC 20510-6200

March 3, 2016

Clyde L. Reese III  
 Commissioner, Department of Community Health  
 Two Peachtree Street, NW  
 40<sup>th</sup> Floor  
 Atlanta, Georgia 30303

Dear Commissioner Reese:

Since April of 2015, the United States Senate Committee on Finance (Committee) has been conducting an investigation into the states' use of private entities, and particularly for-profit entities, to serve as child placement agencies in the administration of state foster care programs. As you are aware, these state programs are funded under Title IV-E of the Social Security Act. This letter is a follow-up to the letter we sent your state on April 24, 2015, in which we requested information about your state's experience in contracting with private entities to administer portions of the state's foster care program.<sup>1</sup>

Our interest in the use of private foster care providers is prompted in large part by a number of deeply disturbing stories appearing in the media in the recent past. Those stories recount lapses in judgment and mistakes by a for-profit child placement entity in the screening, recruitment, training and monitoring of foster parents that resulted in the placement of children, who represent the most vulnerable segment of our society, into the homes of individuals wholly unsuited to discharge the duties of foster parents.<sup>2</sup> Tragically, a number of these children died while in the care and custody of these foster parents, while other children were abused, neglected or physically injured.

<sup>1</sup> We are certain that you share our commitment to protect the wellbeing of the many children whose difficult circumstances necessitate their removal from parental control and placement in foster homes. Therefore, please provide a response to the letter of April 24, 2015 at your earliest convenience so as to assist the Senate Finance Committee in its investigation.

<sup>2</sup> See, for example: *Mother Jones*, Brian Joseph: The Brief Life and Private Death of Alexandria Hill (Feb. 26, 2015); *BuzzFeed News*, Aram Roston and Jeremy Singer: Fostering Profits (Feb. 20, 2015); and *BuzzFeed News*, Aram Roston: In an Unmarked Grave, a Baby's Untold Story (June 18, 2015).

One of the many issues being examined by the Committee is the soundness, from a public policy perspective, of permitting for-profit entities to operate as child placement agencies. It is argued by some commentators that such entities are ill-suited to discharge the functions of child placement agencies, since their pursuit of profit could interfere with their responsibility to safeguard the interests of the children under their care.

The Title IV-E foster care program is a child welfare program under the Social Security Act. Consequently, it falls within the oversight jurisdiction of the Committee. As Chairman and Ranking Member of the Committee, we are writing to you to secure information necessary to advance the Committee's understanding of how well both for-profit and non-profit child placement agencies under contract with your state protect the interests of the children who fall under their care.

In accordance with the Committee's oversight responsibility for the Title IV-E program, we request that you provide the following information no later than close of business April 1, 2016:

1. Identify all child placement agencies (both non-profit and for-profit non-public providers that carry out responsibilities related to case planning, including permanency planning, and review for children in foster care (collectively, "Contractors"), under contract in your State to provide foster care services at any time from January 2010 to the present, and the dates when those agencies began to provide these services, and when, if applicable, they terminated;
2. For each individual Contractor, provide the following performance measures,<sup>3</sup> for each year 2010 through 2015:
  - a. Total number of children served by such contractor during the year;<sup>4</sup>
  - b. Of this total number of children served by such contractor during each year, identify the number and percentage of children in the following subgroups:<sup>5</sup>
    - i. Special needs children (general category)
    - ii. Physically disabled children
    - iii. Children with special mental/emotional/behavioral health needs

<sup>3</sup> In the interest of identifying measures for which statewide data should be readily available, several of these performance measures mirror the Statewide Data Indicators used by the Administration for Children and Families' Children's Bureau in conducted the Child and Family Services Reviews (CFSR). The Statewide Data Indicators are described in detail in CFSR Technical Bulletin #8A and the Final Notice of Statewide Data Indicators and National Standards for Child and Family Services Reviews Executive Summary—Amended (both published May 13, 2015).

<sup>4</sup> The CFSR literature defines the statewide version of this measure as "all children who were served in foster care during the 12-month target period." This measure should include the total number of children served by the Contractor *at any time* during each year in question.

<sup>5</sup> This measure is included to account for the fact that particular contractors may be qualified and relied upon to serve the needs of particular subgroups of children entering foster care. If necessary for purposes of specificity, please provide any working definitions or tests used to classify children within particular subgroups.

- iv. Infants
  - v. Older youth
- c. Total number and percentage of children served whose placement was moved sometime during the year;<sup>6</sup>
  - d. Of all children who entered foster care each year and were discharged within one year (to reunification, living with a relative, or guardianship), total number and percentage who re-entered foster care within one year of their discharge.<sup>7</sup>
  - e. Total number and percentage of substantiated or indicated reports of maltreatment (by any perpetrator) during a foster care episode;<sup>8</sup>
  - f. Of all children who were victims of a substantiated or indicated maltreatment report during each calendar year, total number and percentage of children who had a second substantiated or indicated maltreatment report within one year of their initial report;<sup>9</sup>
  - g. Number and percentage of children served who, within one year, achieved the following permanency outcomes:<sup>10</sup>
    - i. Reunification;
    - ii. Adoption;
    - iii. Guardianship;
    - iv. Another planned permanent living arrangement;
  - h. Number and percentage of children entering into care who have siblings placed in the same living arrangement;
  - i. Number and percentage of children entering into care who are placed with relatives;
  - j. Number and percentage of children entering foster care who received a full initial physical and mental health assessment within 60 days;

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<sup>6</sup> CFSR measure: Placement stability

<sup>7</sup> CFSR measure: Re-entry to foster care in 12 months

<sup>8</sup> CFSR measure: Maltreatment in foster care

<sup>9</sup> CFSR measure: Recurrence of maltreatment

<sup>10</sup> CFSR measures: Permanency in 12 months for children entering foster care

- k. Number and percentage of children entering foster care for whom permanency goals were established in a timely manner;<sup>11</sup>
  - l. Number and percentage of children served who received monthly caseworker visits;
  - m. The total cost to the state, county, or local government of services provided under the contract.
  - n. Average caseload for each caseworker employed by the Contractor.
3. For each measure identified above, please provide the same performance measure for the state foster care system as a whole, for each year 2010 through 2015.
  4. Provide a copy of any performance rankings, ratings, or reviews of Contractors prepared by your agency for years 2010 through 2015.
  5. Provide any additional information regarding individual Contractor performance that you believe may warrant our attention.<sup>12</sup>
  6. Provide all performance and investigative reports and evaluations of Contractor placement agencies that are subsidiaries or affiliates of National Mentor Holdings, Inc., that have been prepared by or issued by the State, or by the contracting entity within the State, from January 2010 to the present. The term “investigative reports” includes reports relating to the death, sexual abuse or injury to a child while in the care/custody of foster parents recruited or employed by subsidiaries or affiliates of National Mentor Holdings, Inc.
  7. Provide the name and contact information of a state official with whom Committee staff may communicate to resolve any questions regarding the operation of the state’s foster care program, and in particular, the use by the state of for-profit child placement agencies.

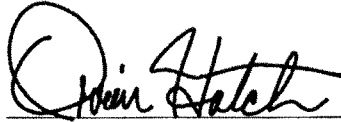
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<sup>11</sup> In answering this question, please identify the timeframe in which your agency seeks to establish permanency guidelines for each child entering into foster care.

<sup>12</sup> Such information may include observations about individual Contractors’ performance in the following areas, which may be difficult to quantify in a single measure: thoroughness in conducting criminal background checks of potential foster parents; timely reporting of credible claims of abuse and neglect; provision of adequate training to caseworkers, etc.

We thank you for your prompt attention to this request. Please submit your response in electronic format to Kim Brandt, Chief Oversight Counsel (Majority), ([kim\\_brandt@finance.senate.gov](mailto:kim_brandt@finance.senate.gov)) and to David Berick, Chief Investigator (Minority), ([david\\_berick@finance.senate.gov](mailto:david_berick@finance.senate.gov)). Any questions may be directed to Ms. Brandt at (202) 224-4515 or to Mr. Berick at (202) 224-6399.

Sincerely,



Orrin G. Hatch  
Chairman, Senate Finance Committee



Ron Wyden  
Ranking Member

ORRIN G. HATCH, UTAH, CHAIRMAN  
 CLIFFICK, IOWA  
 MIKI CHAPPEL, IDAHO  
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 PETER STARBUCK, MICHIGAN  
 MARRIOTT LANTIERO, WASHINGTON  
 DIANE NEASE, FLORIDA  
 ROBERT M. MENENDEZ, NEW JERSEY  
 THOMAS R. CARPER, DELAWARE  
 BENJAMIN L. CARDIN, MARYLAND  
 SHRIYOTS BHASKAR, CALIFORNIA  
 MICHAEL J. BENNETT, COLORADO  
 ROBERT C. EISENBERG, PENNSYLVANIA  
 MARK R. WARNER, VIRGINIA

CHRIS CAMPBELL, STAFF DIRECTOR  
 KOSHIA SHREEMAN, DEMOCRATIC STAFF DIRECTOR

United States Senate  
 COMMITTEE ON FINANCE  
 WASHINGTON, DC 20510-6200

March 3, 2016

George H. Sheldon  
 Acting Director  
 Department of Children and Family Services  
 406 Monroe Street  
 Springfield, Illinois 62701-1498

Dear Acting Director Sheldon:

Since April of 2015, the United States Senate Committee on Finance (Committee) has been conducting an investigation into the states' use of private entities, and particularly for-profit entities, to serve as child placement agencies in the administration of state foster care programs. As you are aware, these state programs are funded under Title IV-E of the Social Security Act. This letter is a follow-up to the letter we sent your state on April 24, 2015, in which we requested information about your state's experience in contracting with private entities to administer portions of the state's foster care program. We thank you for the response provided to the Committee by your Department.

Our interest in the use of private foster care providers is prompted in large part by a number of deeply disturbing stories appearing in the media in the recent past. Those stories recount lapses in judgment and mistakes by a for-profit child placement entity in the screening, recruitment, training and monitoring of foster parents that resulted in the placement of children, who represent the most vulnerable segment of our society, into the homes of individuals wholly unsuited to discharge the duties of foster parents.<sup>1</sup> Tragically, a number of these children died while in the care and custody of these foster parents, while other children were abused, neglected or physically injured.

One of the many issues being examined by the Committee is the soundness, from a public policy perspective, of permitting for-profit entities to operate as child placement agencies. It is argued by some commentators that such entities are ill-suited to discharge the functions of child

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- h. Number and percentage of children entering into care who have siblings placed in the same living arrangement;
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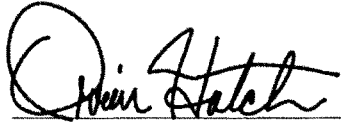
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United States Senate  
 COMMITTEE ON FINANCE  
 WASHINGTON, DC 20510-6200

March 3, 2016

Linda S. Spears  
 Commissioner, Department of Children and Families  
 600 Washington Street  
 Boston, Massachusetts 02111

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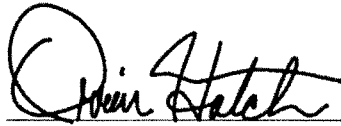
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Sincerely,

Handwritten signature of Orrin G. Hatch in black ink, written over a horizontal line.

Orrin G. Hatch  
Chairman, Senate Finance Committee

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Ron Wyden  
Ranking Member



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CHRIS CAMPBELL, STAFF DIRECTOR  
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**United States Senate**  
 COMMITTEE ON FINANCE  
 WASHINGTON, DC 20510-6200

March 3, 2016

Sam Malhotra  
 Secretary, Department of Human Resources  
 311 West Saratoga Street  
 Baltimore, Maryland 21201

Dear Secretary Malhotra:

Since April of 2015, the United States Senate Committee on Finance (Committee) has been conducting an investigation into the states' use of private entities, and particularly for-profit entities, to serve as child placement agencies in the administration of state foster care programs. As you are aware, these state programs are funded under Title IV-E of the Social Security Act. This letter is a follow-up to the letter we sent your state on April 24, 2015, in which we requested information about your state's experience in contracting with private entities to administer portions of the state's foster care program. We thank you for the response provided to the Committee by your Department.

Our interest in the use of private foster care providers is prompted in large part by a number of deeply disturbing stories appearing in the media in the recent past. Those stories recount lapses in judgment and mistakes by a for-profit child placement entity in the screening, recruitment, training and monitoring of foster parents that resulted in the placement of children, who represent the most vulnerable segment of our society, into the homes of individuals wholly unsuited to discharge the duties of foster parents.<sup>1</sup> Tragically, a number of these children died while in the care and custody of these foster parents, while other children were abused, neglected or physically injured.

One of the many issues being examined by the Committee is the soundness, from a public policy perspective, of permitting for-profit entities to operate as child placement agencies. It is argued by some commentators that such entities are ill-suited to discharge the functions of child placement agencies, since their pursuit of profit could interfere with their responsibility to safeguard the interests of the children under their care.

<sup>1</sup> See, for example: *Mother Jones*, Brian Joseph: The Brief Life and Private Death of Alexandria Hill (Feb. 26, 2015); *BuzzFeed News*, Aram Roston and Jeremy Singer: Fostering Profits (Feb. 20, 2015); and *BuzzFeed News*, Aram Roston: In an Unmarked Grave, a Baby's Untold Story (June 18, 2015).

The Title IV-E foster care program is a child welfare program under the Social Security Act. Consequently, it falls within the oversight jurisdiction of the Committee. As Chairman and Ranking Member of the Committee, we are writing to you to secure information necessary to advance the Committee's understanding of how well both for-profit and non-profit child placement agencies under contract with your state protect the interests of the children who fall under their care.

In accordance with the Committee's oversight responsibility for the Title IV-E program, we request that you provide the following information no later than close of business April 1, 2016:

1. Identify all child placement agencies (both non-profit and for-profit non-public providers that carry out responsibilities related to case planning, including permanency planning, and review for children in foster care (collectively, "Contractors"), under contract in your State to provide foster care services at any time from January 2010 to the present, and the dates when those agencies began to provide these services, and when, if applicable, they terminated;
2. For each individual Contractor, provide the following performance measures,<sup>2</sup> for each year 2010 through 2015:
  - a. Total number of children served by such contractor during the year;<sup>3</sup>
  - b. Of this total number of children served by such contractor during each year, identify the number and percentage of children in the following subgroups:<sup>4</sup>
    - i. Special needs children (general category)
    - ii. Physically disabled children
    - iii. Children with special mental/emotional/behavioral health needs
    - iv. Infants
    - v. Older youth

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<sup>2</sup> In the interest of identifying measures for which statewide data should be readily available, several of these performance measures mirror the Statewide Data Indicators used by the Administration for Children and Families' Children's Bureau in conducted the Child and Family Services Reviews (CFSR). The Statewide Data Indicators are described in detail in CFSR Technical Bulletin #8A and the Final Notice of Statewide Data Indicators and National Standards for Child and Family Services Reviews Executive Summary—Amended (both published May 13, 2015).

<sup>3</sup> The CFSR literature defines the statewide version of this measure as "all children who were served in foster care during the 12-month target period." This measure should include the total number of children served by the Contractor *at any time* during each year in question.

<sup>4</sup> This measure is included to account for the fact that particular contractors may be qualified and relied upon to serve the needs of particular subgroups of children entering foster care. If necessary for purposes of specificity, please provide any working definitions or tests used to classify children within particular subgroups.

- c. Total number and percentage of children served whose placement was moved sometime during the year;<sup>5</sup>
- d. Of all children who entered foster care each year and were discharged within one year (to reunification, living with a relative, or guardianship), total number and percentage who re-entered foster care within one year of their discharge.<sup>6</sup>
- e. Total number and percentage of substantiated or indicated reports of maltreatment (by any perpetrator) during a foster care episode;<sup>7</sup>
- f. Of all children who were victims of a substantiated or indicated maltreatment report during each calendar year, total number and percentage of children who had a second substantiated or indicated maltreatment report within one year of their initial report;<sup>8</sup>
- g. Number and percentage of children served who, within one year, achieved the following permanency outcomes:<sup>9</sup>
  - i. Reunification;
  - ii. Adoption;
  - iii. Guardianship;
  - iv. Another planned permanent living arrangement;
- h. Number and percentage of children entering into care who have siblings placed in the same living arrangement;
- i. Number and percentage of children entering into care who are placed with relatives;
- j. Number and percentage of children entering foster care who received a full initial physical and mental health assessment within 60 days;
- k. Number and percentage of children entering foster care for whom permanency goals were established in a timely manner;<sup>10</sup>

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<sup>5</sup> CFSR measure: Placement stability

<sup>6</sup> CFSR measure: Re-entry to foster care in 12 months

<sup>7</sup> CFSR measure: Maltreatment in foster care

<sup>8</sup> CFSR measure: Recurrence of maltreatment

<sup>9</sup> CFSR measures: Permanency in 12 months for children entering foster care

<sup>10</sup> In answering this question, please identify the timeframe in which your agency seeks to establish permanency guidelines for each child entering into foster care.

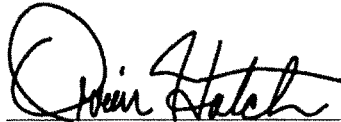
- l. Number and percentage of children served who received monthly caseworker visits;
  - m. The total cost to the state, county, or local government of services provided under the contract.
  - n. Average caseload for each caseworker employed by the Contractor.
3. For each measure identified above, please provide the same performance measure for the state foster care system as a whole, for each year 2010 through 2015.
4. Provide a copy of any performance rankings, ratings, or reviews of Contractors prepared by your agency for years 2010 through 2015.
5. Provide any additional information regarding individual Contractor performance that you believe may warrant our attention.<sup>11</sup>
6. Provide all performance and investigative reports and evaluations of Contractor placement agencies that are subsidiaries or affiliates of National Mentor Holdings, Inc., that have been prepared by or issued by the State, or by the contracting entity within the State, from January 2010 to the present. The term “investigative reports” includes reports relating to the death, sexual abuse or injury to a child while in the care/custody of foster parents recruited or employed by subsidiaries or affiliates of National Mentor Holdings, Inc.
7. Provide the name and contact information of a state official with whom Committee staff may communicate to resolve any questions regarding the operation of the state’s foster care program, and in particular, the use by the state of for-profit child placement agencies.

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<sup>11</sup> Such information may include observations about individual Contractors’ performance in the following areas, which may be difficult to quantify in a single measure: thoroughness in conducting criminal background checks of potential foster parents; timely reporting of credible claims of abuse and neglect; provision of adequate training to caseworkers, etc.

We thank you for your prompt attention to this request. Please submit your response in electronic format to Kim Brandt, Chief Oversight Counsel (Majority), ([kim\\_brandt@finance.senate.gov](mailto:kim_brandt@finance.senate.gov)) and to David Berick, Chief Investigator (Minority), ([david\\_berick@finance.senate.gov](mailto:david_berick@finance.senate.gov)). Any questions may be directed to Ms. Brandt at (202) 224-4515 or to Mr. Berick at (202) 224-6399.

Sincerely,



Orrin G. Hatch  
Chairman, Senate Finance Committee



Ron Wyden  
Ranking Member

ORRIN G. HATCH, UTAH, CHAIRMAN  
 CRAIG GASSLEY, IOWA  
 MIKE CRAPO, IDAHO  
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 JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

## United States Senate

COMMITTEE ON FINANCE  
 WASHINGTON, DC 20510-6200

March 3, 2016

John J. Specia, Jr.  
 Commissioner, Department of Family and Protective Services  
 701 West 51<sup>st</sup> Street  
 M.C. E-654  
 Austin, Texas 78751

Dear Commissioner Specia:

Since April of 2015, the United States Senate Committee on Finance (Committee) has been conducting an investigation into the states' use of private entities, and particularly for-profit entities, to serve as child placement agencies in the administration of state foster care programs. As you are aware, these state programs are funded under Title IV-E of the Social Security Act. This letter is a follow-up to the letter we sent your state on April 24, 2015, in which we requested information about your state's experience in contracting with private entities to administer portions of the state's foster care program. We thank you for the response provided to the Committee by your Department.

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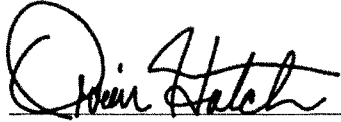
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Sincerely,



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Chairman, Senate Finance Committee



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