

THE HOUSE OF REPRESENTATIVES
Wednesday, February, 24, 2010

Committee Substitute for
House Bill No. 3258

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3258 - By: BLACKWELL AND
PITTMAN of the House and NEWBERRY of the Senate.

[children - Department of Human Services - foster care services - private
agencies - report - quality assurance program – independent audits -
codification -
effective date]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 1-9-123 of Title 10A, unless there is created a duplication in
3 numbering, reads as follows:
4 A. The Department of Human Services shall develop a plan to outsource the
5 provision of foster care and related services statewide. As used in this section, the term
6 “outsource” means the Department shall contract with competent private social services
7 agencies for the provision of services. The Department shall submit a plan to accomplish
8 outsourcing statewide, through a competitive process, no later than July 1, 2011. The
9 plan shall provide for the selection of a nonprofit agency to serve as the lead agency in
10 implementing the plan. Implementation of the plan shall be completed no later than
11 July 1, 2013.

1 B. The plan shall be developed with local community participation, including, but
2 not limited to, input from community-based providers that are currently under contract
3 with the Department to furnish community-based services as well as agencies expressing
4 an interest in the outsourcing opportunity and with experience in outsourcing these
5 services from other states or within the state; and shall include a methodology for
6 determining and transferring all available funds, including federal funds that the
7 selected provider is eligible for and agrees to earn. The methodology shall provide for the
8 transfer of funds appropriated and budgeted for all services and programs that have been
9 incorporated into the project, including all management, capital (including current
10 furniture and equipment), and administrative funds to accomplish the transfer of these
11 programs. This methodology shall address expected workload and at least the three (3)
12 previous years' experience in expenses and workload. With respect to any portion of the
13 state, not to exceed, cumulatively, twenty-five percent (25%) of the current child welfare
14 population, in which outsourcing cannot be accomplished within the two-year time frame,
15 the Department shall clearly state in its plan the reasons the time frame cannot be met
16 and the efforts that shall be made to remediate the obstacles, which shall include
17 alternatives to total outsourcing, such as public-private partnerships. An independent
18 evaluator recommended by the Department and approved by the Legislature shall
19 evaluate the Department's assessment with respect to any portion of the state in which
20 outsourcing cannot be accomplished within the time frame and report their findings
21 along with the Department's plan.

1 C. A private agency with case management responsibilities transferred from the
2 state under this section may act as the child's guardian for the purpose of registering the
3 child in school if a parent or guardian of the child is unavailable and whereabouts of the
4 parent or guardian cannot reasonably be ascertained. The private agency may also seek
5 emergency medical attention for such a child, but only if a parent or guardian of the child
6 is unavailable, the whereabouts of the parent or guardian cannot reasonably be
7 ascertained, and a court order for emergency medical services cannot be obtained
8 because of the severity of the emergency or because it is after normal working hours.
9 However, the provider may not consent to sterilization, abortion, or termination of life
10 support. If parental rights have been terminated, the agency shall act as guardian of the
11 child in all circumstances. Provided, however, that the permanency outcomes for the
12 child remain the responsibility of the Department.

13 D. The Department shall develop requirements and criteria a private agency must
14 meet in order to participate in the outsourcing program. In addition, the Department
15 shall not transfer services to a private agency unless the agency has demonstrated
16 readiness and ability to carry out all of the outsourcing tasks, achieve the stated
17 outcomes and is prepared to be accountable for a child or children.

18 E. In communities where economic or demographic constraints make it impossible
19 or not feasible to competitively contract with a lead agency, the Department shall
20 develop an alternative plan in collaboration with the local community, which may include
21 establishing innovative geographical configurations or consortia of agencies. The
22 independent evaluator shall include an assessment of these identified communities and

1 an opinion as to the feasibility to competitively contract with a lead agency in their
2 report that shall accompany the Department's plan. The plan shall detail how the
3 community will continue to implement community-based care through competitively
4 procuring either the specific components of foster care and related services or
5 comprehensive services for defined eligible populations of children and families from
6 qualified licensed agencies as part of its efforts to develop the local capacity for a
7 community-based system of coordinated care. The plan shall ensure local control over
8 the management and administration of the service provision in accordance with the
9 intent of this section and may include recognized best business practices, including some
10 form of public or private partnerships.

11 F. The Department, in consultation with the community-based agencies that are
12 undertaking the outsourced projects, shall establish a quality assurance program for
13 privatized services. The quality assurance program shall be based on standards
14 established by the federal Adoption and Safe Families Act (Public Law 105-89) as well as
15 by a national accrediting organization such as the Council on Accreditation of Services
16 for Families and Children, Inc. (COA) or CARF - the Rehabilitation Accreditation
17 Commission. Each program operated under contract with a community-based agency
18 shall be evaluated annually by the Department. The Department shall, to the extent
19 possible, use independent financial audits provided by the community-based care agency
20 to eliminate or reduce the ongoing contract and administrative reviews conducted by the
21 Department. The Department may suggest additional items to be included in such
22 independent financial audits to meet the Department's needs.

1 SECTION 2. This act shall become effective November 1, 2010.
2 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
3 dated 02-23-10 - DO PASS, As Amended and Coauthored.