



COLORADO

PBC Payment Model Workshop

Workshop 5, October 20



COLORADO
Department of Public Safety

Agenda

Today's Objectives:

- Discuss how the Payments fits into PBC
- Share Feedback & Ideas for PBC
- Prepare for Next Workshop (Timeline on November 3)

Description	Time Allotted
Agenda & Introductions <i>Please Enter your Name & Organization in our Chat</i>	5
Results of Homework & Discussion	10
Original PBC Plan and Urban Institute Report: Payment Models	15
Activity: What do you like and what would you change?	15
Discussion: Payment Models	35
Regulatory Role and Relationship to PBC	5
Activity: Warning System	15
Concern: PBC Funding	15
Next Steps	5

Our Shared Vision

What is our objective?

PBC is an innovative, transparent & fiscally responsible strategy ensuring local, safe & accountable providers deliver services & support to community corrections clients.

Why?

The criminal justice system and communities benefit from researched, rehabilitative sentencing options. Local boards and providers serve the diverse clientele with additional OCC support, training and technical assistance resulting in lower recidivism rates.

How will we get there?

This program offers the opportunity to listen and collaborate with community correction stakeholders, apply established research and provide clear, concise guidance to increase the quality and quantity of help & supportive programs to our communities.

Group Agreements



We recommend these ground rules to promote effective collaboration to reach agreement in a diverse group:

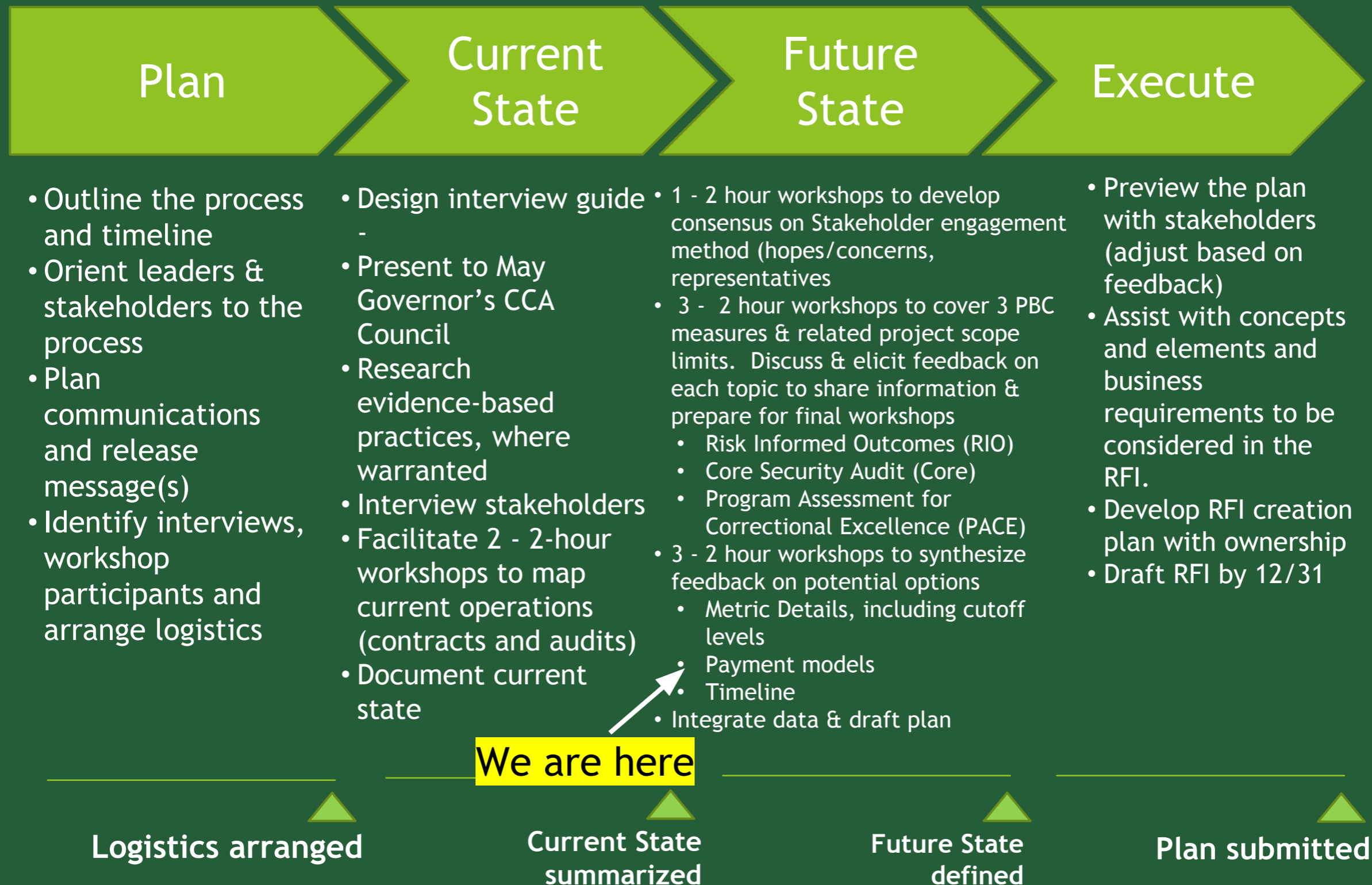
- One person speaks at a time
- Stay on mute unless engaging
- Say what you mean, ask questions to promote understanding
- Tough on problems, easy on people
- Use the past only to describe a better future

Group Agreements Cont.



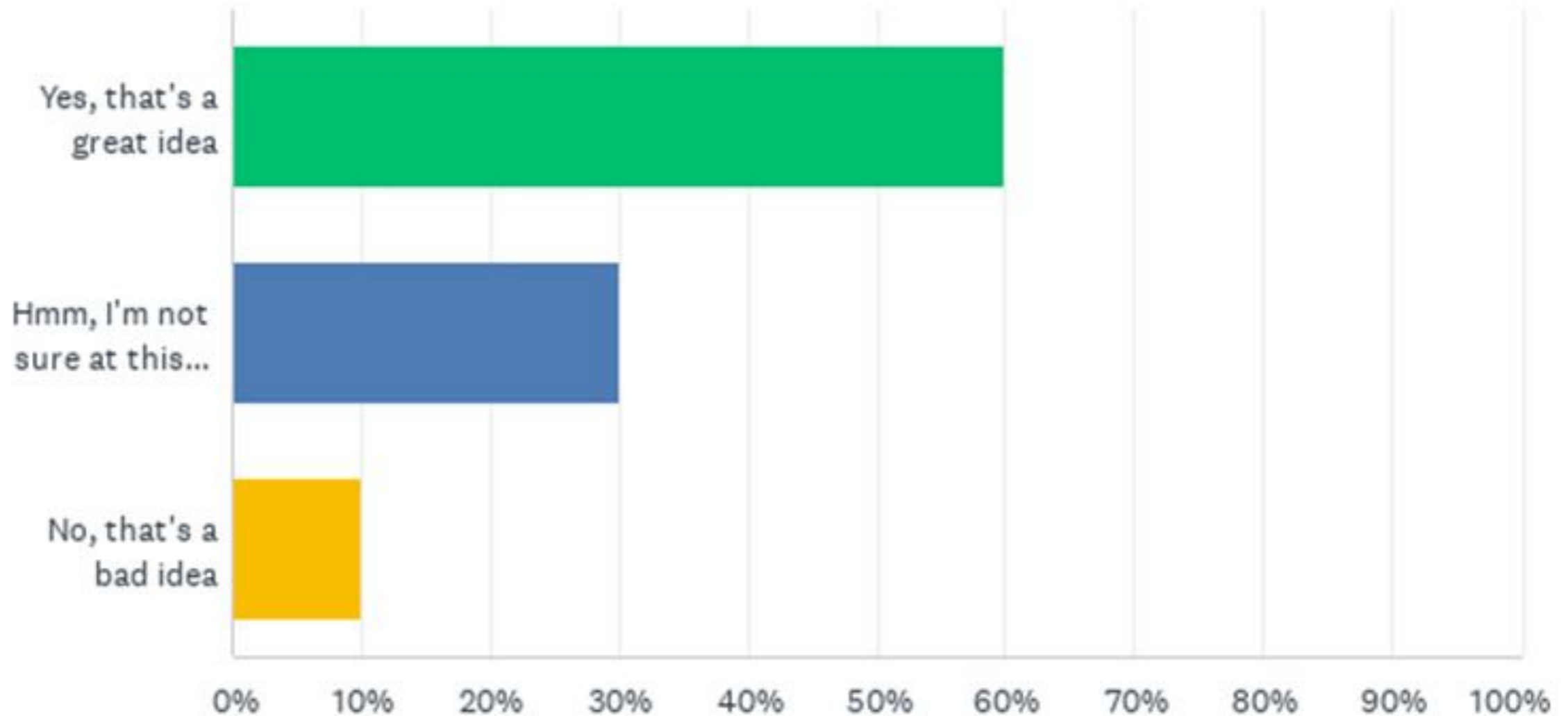
- Come prepared - review materials in advance, gather & share input from your community, stakeholders, colleagues etc.
- Collaborate - listen, learn and contribute patiently (be a part of the answer, not the answer)
- Focus - stay focused on our scope related to PBC and not conflate other challenges we face in CC
- Public Policy Perspective - favor durable, data-supported evidence & logic, over individual stories, anecdotes, or emotional appeals.
- Constructive orientation - assume positive intent of other stakeholders

Project Roadmap



Homework Results

Q1: If PACE and Core Security composite scores and 1-3 target measures were included a performance cycle, would you like to see the composite score comparing the program's score to the statewide baseline and the 1-3 target measure program's scores comparing to itself to measure individual program improvement?



Original PBC Plan

Points related to Payment:

- Base building and direct financial incentives
 - Utilize facility payments or lump sum payment for incentives
 - Appropriate magnitude of incentive needs to be determined
- Ideas for funding:
 - Use of community corrections reversions
 - Board administrative funds
 - Justice Assistance Grant (JAG)

Urban Institute

Recommendations

Benefits of Chosen Models

- **Gradual adjustments.** The tables include a gradual reduction in the per diem, and in the first year, programs will get full payment. This should allow programs to become familiar with the performance metrics and focus on taking needed steps to improve their scores without risk of reduced funding.
- **Annual adjustments.** The state budget committee and OCC can increase or decrease the per diem rate based on the current state budget and fiscal environment.
- **Flexible targets.** The rate table offers a flexible structure where OCC can assess programs' performance on risk-adjusted outcomes as compared with the state average and programs' year-over-year improvement on PACE and Core.
- **Flexible schedule.** Allowing programs to earn the incentive by improving on either the PACE or Core assessment affords the state flexibility for changing how often each assessment is administered.
- **Minimal contract changes.** This new payment structure can be incorporated in judicial district and program contracts by simply amending the letter that includes the fiscal year's bed allocation and per diem amount because it still relies on a per diem payment structure.

Recommended Payment Models from Urban Institute

TABLE 1

Gradual Transition Model

	FY 22 (7/1/21- 6/30/22)	FY 23 (7/1/22- 6/30/23)	FY 24 (7/1/23- 6/30/24)	FY 25 (7/1/24- 6/30/25)	FY 26 (7/1/25- 6/30/26)
Base per diem	100%	99%	98%	97%	97%
Completion	baselines	1%*	1%*	1%*	1%*
Recidivism	baselines	1%*	1%*	1%*	1%*
PACE or Core	baselines	baselines	2%	3%	3%
Max payment	100%	101%	102%	102%	102%

Note: * payment based on data from previous one to two fiscal years.

Recommended Payment Models from Urban Institute

TABLE 2

Progressive Risk and Reward Model

	FY 22 (7/1/21- 6/30/22)	FY 23 (7/1/22- 6/30/23)	FY 24 (7/1/23- 6/30/24)	FY 25 (7/1/24- 6/30/25)	FY 26 (7/1/25- 6/30/26)
Base per diem	100%	98%	96%	94%	92%
Completion	baselines	2%*	2%*	3%*	4%*
Recidivism	baselines	2%*	2%*	3%*	4%*
PACE or Core	baselines	baselines	4%	6%	8%
Max Payment	100%	102%	104%	106%	108%

Note: * payment based on data from previous one to two fiscal years.

Activity:

What do you like and what would you change?

What are your initial impressions of the Urban Institute models?

Let's go to our NoteApp Board to share and discuss:

<https://noteapp.com/OocvgzPvNM>

Open Discussion

We want to hear more about your thoughts on the payment model. Do you have other ideas?

Regulatory Role & PBC

The OCC must maintain their regulatory role and will still need to be responsible for the entirety of contract and standards compliance.

The intent of PBC is to achieve better outcomes and quality services by rewarding for higher performance. At the same time, it is important to have a warning system.

Regulation is shorter term and more immediate while PBC is a longer process and goal.

Activity:

Warning System

What do you see as the intersection between the OCC regulatory role and the warning system for PBC?

- Do you feel a penalty is warranted or are additional payments (or lack thereof) is sufficient incentive?
- Do you feel a minimum expectation or “good standing” clause should be required for incentives?

Common Stakeholder Concern: Unsecured Funding for PBC

During the last legislative session, the JBC analyst presented an idea for funding.

→ STAFF-INITIATED COMMUNITY CORRECTIONS CASH FUND [LEGISLATION REQUIRED]

REQUEST: The Department did not request this item, but is aware of staff's recommendation.

RECOMMENDATION: Staff recommends legislation to create a time-limited Community Corrections Cash Fund (the Fund) that will receive reversions from appropriations for the Community Corrections Placements line item. The purpose of the fund is to support the first few years of performance-based contracting (PBC), beginning in FY 2022-23. PBC aims to improve service delivery for community corrections clients/offenders, thereby improving outcomes that enhance public safety and reduce costs related to recidivism. Reversions are not guaranteed, so the cash fund is not intended as a substitute for General Fund appropriations. Supplemental caseload adjustments would still be required to align appropriations with caseload.



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Next Steps



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