



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

April 21, 2009

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
State Capitol
Lansing, Michigan 48933

The Honorable Dudley Spade, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
State Capitol
Lansing, Michigan 48933

Dear Senator Hardiman and Representative Spade:

Section 515 of 2008 Public Act No. 248 (Enrolled House Bill No. 5814) requires the Department of Human Services (DHS) to report on the benchmarks developed in conjunction with private providers on the use of performance-based models for foster care services, results the department or agencies have achieved in improving permanency placements, and recommendations for further improvements for foster care services across the entire state.

The DHS Report for Section 515 Follows:

- I. Report on the benchmarks developed in conjunction with private providers on the use of performance-based models for foster care services.

Representatives from the DHS (central and local offices) and representatives from the placement agency foster care contractors began meeting in January 2008 to review performance-based contracting practices for foster care services.

Technical assistance was requested from the National Resource Center (Susan Maciolek) to facilitate the discussion and provide research on states that had implemented performance-based contracting practices. The process included a review of the performance of Michigan in meeting the national measures established as part of the Child and Family Services Review and the previously established Michigan measures agreed to as part of our state Program Improvement Plan.

The committee developed a proposed *draft* performance-based contract model. The implementation of the proposed model requires a significant change in

how programs are funded and significantly impacts up front cost. This would result in the need for substantial changes to the current payment system used by DHS. Additionally, with establishment of the Child Welfare Initiative (Children's Rights lawsuit settlement agreement), the department and private partners may need to reevaluate goals and objectives, ensuring that any performance-based contracting model supports full compliance. Therefore, the committee will continue to review this model as well as explore other options.

The committee has established a set of performance-based measures that can be applied equally between both the public and private sectors. Existing data sources can provide the data for the chosen measures. The committee will vet the measures broadly and implement the measures via a placement agency foster care contract amendment in 2009. Performance on these measures will serve as one element in the evaluation of public and private child placement agencies and serve as a tool to support improvement.

II. Results the department or agencies have achieved in improving permanency placements.

DHS designated 200 staff to work as permanency planning assistants and permanency planning specialists to focus efforts on a population of children that have been in foster care more than one year and have not achieved permanency. Identified staff are in the process of receiving specialized permanency training that will provide the necessary tools to accomplish the goal of moving children toward permanent family homes in a timely manner. As a result of improved data reporting and the identification of this population of children, many of these children have achieved permanency. Since September 30, 2008 1,591 children have been reunified with their families and an additional 670 children have achieved legal permanency. DHS is also in the process of clarifying permanency goals to enhance permanency options for children and families.

III. Recommendations for further improvements for foster care services across the entire state.

The partnership between DHS, Michigan State University Resource Center and Casey Family Program has authorized the MSU Resource Center to conduct a statewide needs assessment. The assessment will outline the need for additional services and placements, including the need for family preservation services, foster and adoptive placements, wraparound services, reunification services, medical, dental and mental health services for children in foster care throughout the state.

The Honorable Bill Hardiman
The Honorable Dudley Spade
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If you have any questions, please contact Suzanne Stiles Burke, acting director of the Bureau of Child Welfare, at 517-241-8606.

Sincerely,

A handwritten signature in cursive script that reads "Ismael Ahmed".

Ismael Ahmed

cc: Senate and House Appropriations Subcommittees
Senate and House Fiscal Agencies
Senate and House Policy Offices
Senate Budget Director