

# Status of Performance-Based Contracting Model

(FY2017 Appropriation Act - Public Act 268 of 2016)

January 1, 2017

**Sec. 503 (6).** *The department, in conjunction with members from both the house of representatives and senate, private child placing agencies, the courts, and counties shall implement the recommendations that are described in the workgroup report that was provided in section 503 of article X of 2013 PA 59 to establish a performance-based funding for public and private child welfare services providers. The department shall provide a quarterly report on the status of the performance-based contracting model to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.*



Michigan Department of  
Health & Human Services

RICK SNYDER, GOVERNOR  
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# **Status of Performance-Based Contracting Model First Quarter Report**

The Michigan Department of Health and Human Services (MDHHS) continues to lead and utilize the Child Welfare Partnership Council to ensure stakeholder involvement in the development of a performance-based funding model. MDHHS has collaborated with Kent County MDHHS staff and the Kent County provider community involved in the West Michigan Partnership for Children (WMPC) to continue moving the Kent County pilot forward.

MDHHS and WMPC began implementation of Phase 1, infrastructure building, on July 1, 2016. Recent accomplishments include:

## **WMPC Infrastructure Planning**

- Pressley Ridge foster parent training and components of PRIDE (Parent Resources for Information, Development and Education) training began for all foster and adoptive families.
- Start-up funds received to purchase mindshare technology and support hiring WMPC staff.
- WMPC fulfilled the CPA (Child Placing Agency) licensing requirements and the license was issued.
- Identified staff to participate in MiSACWIS (Michigan's Statewide Automated Child Welfare Information System) Joint Application Design (JAD) sessions for system change management to support the pilot.
- Reviewed WMPC policies with MDHHS for further clarifications.
- Completed a successful grant application to the Michigan Health Endowment Fund resulting in \$235,040 for mindshare technology.
- Re-engaged in chief executive officer search process.
- Conducted presentations to community stakeholders including the Kent County Family & Children's Coordinating Council.
- Developed a process for handling accounts payable and receivable that meets standards for internal controls.
- Conducted searches for potential office space.

## **MDHHS Contracting, Oversight, Claiming and State Plan**

- Identified comparison counties to serve as the control group for the pilot. The control group includes children served by private agencies in Oakland and Ingham Counties.
- Held two kick-off meetings with contracted evaluators, MDHHS and private agency staff in the identified comparison counties, and private agency staff in the pilot county to review scope, roles and responsibilities.

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- Analyzed local oversight processes for fiscal and child welfare program monitoring.
- Revisited cost reporting and claiming processes and templates.
- Conducted second conference call with the federal Administration for Children and Families to share information about the pilot and address any questions.
- Conducted seven MiSACWIS JAD sessions to identify system changes needed to support the pilot.
- Actuarial rate development services provided by Public Consulting Group and partner Lewis & Ellis, Inc. continued over the last quarter resulting in a modified case rate which included the administrative rate increase and proposal to address transition costs for children in foster care upon pilot implementation.