



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

MAURA D. CORRIGAN
DIRECTOR

January 31, 2012

The Honorable Bruce Caswell, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, Michigan 48933

The Honorable David Agema, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Caswell and Representative Agema:

Section 532(1) of Public Act 63 of 2011 requires the Department of Human Services (DHS), in collaboration with private child and family agencies, to improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. Revisions to these processes, while maintaining the safety and care of children would alleviate administrative burdens on private agencies and eliminate duplicative staff activities.

DHS convened a collaborative work group with representatives from private child placing and child caring organizations. The efforts of this work group resulted in the following recommendations for changes to the annual licensing inspection process and the contract compliance review process:

- Creation of a single licensing and contract monitoring bureau within DHS that would combine multiple reviews into one regulatory review process. Private agencies would be monitored on performance-based outcomes and the requirements of the modified consent decree tied to child safety, well-being and permanency.
- Maintaining Quality Assurance as a distinct function solely focused on continuous quality improvement. Quality Assurance would be separate and distinct from regulatory functions, focusing on program improvement through the provision of information and data through the development of local quality teams.
- Adjusting the annual licensing inspection process to give deemed status to nationally accredited child placing agencies and child caring institutions. Recognition of Deemed Status affords child placing agencies recognition for work reviewed and approved by the accrediting body, thereby eliminating duplicate reviews by the department.

The target date for implementation of this model is March 31, 2012. More details will be provided in the boilerplate report required in Section 230(2) of 2011 PA 63 to evaluate the feasibility of combining the Bureau of Child and Adult Licensing with the Contract Compliance Unit.

If you have any questions regarding this information, please contact James B. Gale, Director of the Bureau of Children and Adult Licensing, at (517) 241-5462.

Sincerely,

A handwritten signature in black ink that reads "Susan Kangas". The signature is written in a cursive style with a large, looped "S" and "K".

Susan Kangas
Chief Financial Officer

Enclosure

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