



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

November 1, 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:

The enclosed report is provided pursuant to PA 63 of 2011, Section 533 (3) of the Department of Human Services (DHS) Fiscal Year 2012 Appropriations Act. This section requires that DHS submit a report on the activities to explore various types of automated payments to private nonprofit child placing facilities to improve speed and accuracy of payments within 30 days of receiving all necessary documentation from those agencies. DHS's established payment standards are pursuant to MCL 17.52 in which the department takes all steps necessary to assure that payment for goods or services is mailed to a private enterprise within 45 days after the department receives the goods or services, a complete invoice for the goods or services, or a complete contract for goods or services.

DHS chaired a workgroup to determine what barriers exist with timely and accurate payment processing. The workgroup consisted of members representing public and private providers as well as DHS accounting, financial services, program policy office, and DTMB. Recommendations were issued and DHS is utilizing those recommendations as part of a larger strategic plan for payment processing.

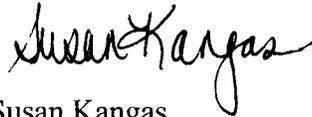
Additionally, the MiSACWIS (Michigan's Statewide Automated Child Welfare Information System) is currently in development. MiSACWIS functionality is being built to assure that automated payment processing occurs without delay. MiSACWIS will eliminate the paper process and create a more convenient method for approved caregivers to receive payments. Private agencies and child caring institutions will have access to MiSACWIS which creates the foundation for private agencies to validate their board and care payments. Private agencies will have automated payment rosters within MiSACWIS, to verify the children in their care during specific defined pay periods. The ability to view rosters, placements, payment requests, and payment histories will be available to their profiled agencies within the system. This

automated payment functionality will eliminate the current invoice process that required printing and mailing invoices.

DHS is committed to assuring timely and accurate payments are made to our providers and we continue to make improvements in computer systems, training and staffing levels that enable us to achieve these goals.

If you have questions, please contact Mary Mehren, Federal Compliance Division Director, at (517) 241-7521.

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

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