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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

March 20, 2009

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
State Capitol
Lansing, MI 48909

The Honorable Dudley Spade, Chair
House Appropriations Subcommittee on DHS
State Capitol
Lansing, MI 48909

Dear Senator Hardiman and Representative Spade:

In section 537(1) of 2008 Public Act No. 248 requires the Department of Human Services (DHS) to collaborate with child placing agencies to “. . . develop goals, objectives, and performance standards to evaluate achievements and results in providing quality foster care for children, reductions in their time in foster care, and better permanency placements.”

Subsection (2) requires DHS to provide quarterly reports on the goals, objectives, and performance standards developed under subsection (1) and the results or outcomes of using the measure.

Our first report for fiscal year 2009 is attached. If you have questions regarding this report, please contact Suzanne Stiles Burke, acting director of the Bureau of Child Welfare at 517-241-8606.

Sincerely,

Ismael Ahmed

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

Section 537.2

537-2 “As part of the quarterly reports required by section 582, the department shall submit a report to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children’s issues, the senate and house fiscal agencies and policy offices, and the state budget director on the goals, objectives, and performance standards developed under subsection (1) and the results or outcomes of using the measure.”

A committee comprised of representatives from the central and local offices of the Department of Human Services (DHS) and representatives from the Placement Agency Foster Care (PAFC) contractors began meeting in January 2008 to review performance based contracting (PBC) practices for foster care services.

Technical assistance was requested from the National Child Welfare Resource Center for Organizational Improvement (Susan Maciolek) to facilitate the discussion and provide research on states that had implemented PBC 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 (CFSR) and the previously established Michigan measures agreed to as part of our state Program Improvement Plan (PIP).

The committee developed a proposed PBC model. However, the implementation of such a model would require a significant change in how programs are funded, impacting “upfront” cost significantly. 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 (settlement agreement), the department and private partners may need to reevaluate goals and objectives, ensuring that any PBC model supports full compliance with the agreement. 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 to both the public and private sector. We believe these measures can be evaluated using existing data sources (See below). The committee will be vetting the measures broadly and are hopeful to implement the measures via a PAFC contract amendment in 2009. Performance on these measures will serve as one element in the evaluation of public and private child placing agencies and serve as a tool to support improvement.

Performance Based Contract (PBC) Measures

1. No child supervised by a single child placing agency (CPA) shall be a victim of a substantiated abuse and/or neglect complaint (category I, II, III) by a foster parent, where a preponderance of evidence is found. (Safety)
2. Children supervised by a single CPA shall have no more than two placement settings while supervised by the agency's program, using the following increments (Permanency):
 - a) 0 – 365 days = 86%
 - b) 366 – 730 days = 73%
 - c) 731 + days = 45%

The national standard for this measure is:

- a) 0 – 365 days = 86%
- b) 366 – 730 days = 65.4%
- c) 731 + days = 41.8%

Michigan is currently at:

- a) 0 – 365 days = 86%
- b) 366 – 730 days = 73%
- c) 731 + days = 45%

3. 90 % of children supervised by a single CPA shall be placed with all members of their sibling group (out-of-home minor siblings only), unless it has been determined that the placement with the siblings is contrary to the best interests of the children. (Permanency)
No data standard.
4. 43 % of children supervised by a single CPA for 30 days or more shall be placed in the home of a parent or legal guardian within 12 months of removal. (Permanency)
The national standard for this measure is 75.2%; Michigan is currently at 42.7%.
5. 36.6 % of children supervised by a single CPA for 30 days or more shall be discharged from foster care to a finalized adoption within 24 months of removal. (Permanency)
The national standard for this measure is 36.6%; Michigan is currently at 33.6%
6. 29.1 % of children, supervised by a single CPA for the most recent 24 months, shall be discharged to a permanent placement prior to their 18th birthday. Permanent placement is defined as adoption, guardianship or reunification. The national standard for this measure is 29.1%; Michigan is currently at 25.6%.
7. 98 % of children supervised by a single CPA for the most recent 12 months and legally free for adoption, shall be discharged to a permanent placement prior to their 18th birthday. Permanent placement is defined as adoption, guardianship or reunification. The national standard for this measure is 98%; Michigan is currently at 96.1%.

8. No more than 4 % of children supervised by a single CPA who were discharged from foster care to reunification shall re-enter foster care in less than 12 months from the date of discharge.
(Permanency) A lower number for this measure is preferable.
The national standard is 9.9%; Michigan is currently at 3.4%.
9. No more than 45% of children supervised by a single CPA for the most recent 12 months or more, shall:
 - a) Be discharged from foster care prior to age 18 with a discharge reason of emancipation, or
 - b) Reach their 18th birthday while in foster care, having been in foster care for 3 years or more.(Permanency) A lower number for this measure is preferable.
The national standard is 37.5%; Michigan is currently at 48.9%.
10. Children supervised by a single CPA shall be visited no less than one time per month by the assigned case manager, with at least 50 % of those visits occurring in the residence of the child, using the following measures:
 - a) October 1, 2008 – September 30, 2009 = 40%
 - b) October 1, 2009 – September 30, 2010 = 70%
 - c) October 1, 2010 – September 30, 2011 = 90%(Promoting Safe and Stable Families)