

# Master Contract Performance

(FY2018 Appropriation Bill - Public Act 107 of 2017)

**February 1, 2018**

**Sec. 279.** (1) *All master contracts relating to human services as funded by the appropriations in sections 103, 104, 105, 106, 107, 108, and 109 of part 1 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided.*

**(2) *By February 1 of the current fiscal year, the department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.***



Michigan Department of  
Health & Human Services

RICK SNYDER, GOVERNOR  
NICK LYON, DIRECTOR

This report is provided pursuant to the Department of Health and Human Services (DHHS) Fiscal Year 2018 Appropriations Act, PA 107 of 2017 Article X, Section 279 (2). This section requires that MDHHS submit a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year for master contracts relating to Human Services.

MDHHS two categories of master contracts, Adoption and Child Placing Agency Foster Care. Currently MDHHS has contracts with 61 foster care agencies and 48 adoption agencies to provide foster care and adoption services throughout the state. All foster care and adoption contracts identify performance measures that align with the federal outcomes. The outcomes of service intervention are to achieve safety, permanency and well-being for each child under the care and supervision of the department.

In regards to adoption services, the following two performance outcomes were part of the adoption contracts for fiscal Year 2017:

**1. Fewer than 5% of placements for adoption will end in disruption.**

Based on preliminary data for fiscal year 2017, there were 1,986 adoptions finalized in Michigan from the child welfare system. Preliminary data indicates that there were seven disrupted adoptions for fiscal year 2017 or .003% of placements, which is substantially less than the performance outcome of fewer than 5% of placements will end in disruption.

**2. By September 30, 2017, not less than 80% of the number of children with a goal of adoption who were legally free for adoption on September 30, 2016, shall have adoptions finalized.**

On September 30, 2016, there were 2,616 children legally-free for adoption with a goal of adoption. In order to meet the performance outcome of not less than 80% of the number of children who were legally free for adoption with a goal of adoption on September 30, 2016 shall have adoptions finalized, Michigan needed to finalize 2,093 adoptions during fiscal year 2017. Based on preliminary data, Michigan finalized 1,986 adoptions during fiscal year 2017, which is 76% of the number of children who were legally free for adoption with a goal of adoption on September 30, 2016.

In regards to Child Placing Agency Foster Care services, the following performance outcomes were measured for fiscal Year 2017:

**1. The Contractor is required to work toward the achievement of Key Performance Indicators (KPI). Compliance with KPIs is assessed through monitoring and oversight of policy, licensing rules and contracts by the Division of Child Welfare Licensing.**

During fiscal year 2017, 102 contracted child placing agency interim / renewal inspections were completed. By and large, these reviews revealed agencies that complied with expectations of quality practice and service delivery.

Agencies that demonstrated willful and substantial non-compliance with licensing rules, foster care or adoption policies were recommended for revocation or were required to complete a corrective action plan and were placed on a provisional license. Of the 102 child placing agencies reviewed:

- Five contracted child placing agencies were placed on a 1st provisional license.
- Two contracted child placing agencies were placed on a 2nd provisional license.
- No contracted child placing agency was recommended for revocation. Two contracted child placing agencies voluntarily closed.