

# Status of Performance-Based Contracting Model Second Quarter Report

(FY 2018 Appropriation Act - Public Act 107 of 2017)

March 31, 2018

**Sec. 503.** (1) *In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall continue to develop actuarially sound case rates for necessary out-of-home child welfare services that achieve permanency by the department and private child placing agencies in a prospective payment system under a performance-based funding model.*

(2) *The department shall continue to develop a prospective rate payment system for private agencies that includes funding for adoption incentive payments. The full cost prospective rate payment system will identify and cover contractual costs paid through the case rate developed by an independent actuary.*

(3) *By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations committees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office a report on the full cost analysis of the performance-based funding model. The report shall include background information on the project and give details about the contractual costs covered through the case rate.*

(4) *In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall continue an independent, third-party evaluation of the performance-based funding model. The evaluator shall be selected through a competitive process by a rating committee that includes, but is not limited to, representatives from the department and private child placing agencies.*

(5) *The department shall only implement the performance-based funding model into additional counties where the department, private child welfare agencies, the county, and the court operating within that county have signed a memorandum of understanding that incorporates the intentions of the concerned parties in order to implement the performance-based funding model.*

**(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.***

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*(7) From the funds appropriated in part 1 for the performance-based funding model pilot, the department shall continue to work with the West Michigan Partnership for Children Consortium on the implementation of the performance-based funding model pilot. The consortium shall accept and comprehensively assess referred youth, assign cases to members of its continuum or leverage services from other entities, and make appropriate case management decisions during the duration of a case. The consortium shall operate an integrated continuum of care structure, with services provided by both private and public agencies, based on individual case needs. The consortium shall demonstrate significant organizational capacity and competencies, including experience with managing risk-based contracts, financial strength, experienced staff and leadership, and appropriate governance structure.*



Michigan Department of  
Health & Human Services

RICK SNYDER, GOVERNOR  
NICK LYON, DIRECTOR

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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 supporting the Kent County pilot.

Recent accomplishments include:

- MDHHS provided technical assistance and support to WMPC as initial questions arose.
- WMPC implemented a new Enhanced Foster Care Model. Enhanced foster care is a family-based service that provides individualized treatment for children in general foster care who present with intensive behavioral or emotional needs. WMPC is currently serving 11 children through this model.
- MDHHS continued to work with multiple stakeholders to identify how federal claims will be operationalized under the Kent County pilot model.
  - MDHHS continued to refine Kent County pilot cost reports and other fiscal monitoring tools and processes.
- MDHHS continued to support data sharing with the WMPC through their data analytics contractor Mindshare, including continued work on data sharing agreements.
- MDHHS released WMPC-specific performance reports for medical and dental timeliness, length of time in care, reunification alerts, adoption alerts and adoption finalization statistics.
- WMPC is working on establishing data sharing agreements with the Kent County Intermediate School District and with Network 180.
- WMPC began attending Kent County Licensing Coalition meetings and providing feedback on Kent County's foster parent recruitment and retention strategy.
- MDHHS and WMPC continue to engage stakeholders through the following meetings:
  - Implementation Team: bi-weekly meetings that provide an opportunity for the MDHHS, WMPC, PAFC providers, and direct service/field staff to meet and discuss policies and questions.
  - WMPC Advisory Committee: monthly stakeholder (WMPC, MDHHS, PAFCs, Network 180, judicial representatives, Public Consulting Group) meetings to discuss progress and technical assistance opportunities.
  - Director's Steering Committee: monthly decision making, trouble shooting, and progress report meetings with the Executive Director of the Children's Services Agency, the executive team at WMPC, and WMPC Board of Directors.
- WMPC presented to the Kent County Family & Children's Coordinating Council's Child Welfare Advisory Committee at its first meeting on January 18, 2018. The

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Committee was created by the Kent County Administrator's office to review performance data of Kent County MDHHS for child protection investigation outcomes and in-home child welfare services, and WMPC for out-of-home child welfare services. Members include the presiding Judge of the Kent County Circuit Court Family Division, Kent County Administrator's Office, Vice-President of the United Way, and an adoptive (and former foster) parent.

- WMPC met with four Kent County neighborhood associations (Heartside, Baxter, Midtown, Alger Heights) in zip codes representing the highest number of children removed from their homes and attended one listening session with Heartside Neighborhood Association. The goal of these meetings is trust-building and to learn about the perspective of the Kent County child welfare system from the communities it impacts the most.
- WMPC met with family court judges from the Kent County Circuit Court; with the Kent County Court Liaison group consisting of judges, defense attorneys, prosecutors, MDHHS, and private agencies; and the child and family attorney committee. The purpose of these meetings was to educate the respective groups about WMPC and to learn about the Kent County Court's perspective on gaps in the foster care system and how WMPC can make a difference.
- WMPC was featured on the "Good News and Success" segment on the WGUV Morning show with Shelley Irwin.
- Medema Consulting lead the WMPC, MDHHS and partner agency stakeholders through the development of WMPC's Strategic Plan.
- WMPC is working with J.K. Elder & Associates to establish Performance-Based Subcontracts for service providers in fiscal year 2019.
- WMPC's performance and quality improvement team is finalizing a policy handbook, which outlines the protocols for continuous quality improvement and auditing. The performance and quality improvement team will be implementing quarterly reviews with the foster care agencies, in addition to the annual audit of performance measures and contract compliance.
- WMPC's care coordination team established a tiered system of meetings to increase collaboration and attention to complex case issues. The access of advanced teamwork allows for an increased focus on the best interest of children in care. The care coordinators also facilitate collaboration with their assigned private agency provider, Kids First staff, and MDHHS Liaisons.

The Child Welfare Partnership Council continues its work of bringing together child welfare experts and stakeholders from across the state. The Council continues to fully support Michigan's development of a performance-based child welfare system. In January 2018, the Council voted to accept an updated group Charter pending minor edits to be made prior to the March meeting. The Council determined that an updated Charter was necessary to reflect the work the group has been doing since being created as a result of the Child Welfare Performance Based Funding Task Force recommendations published in February 2014. The revised Charter also reflects a better understanding of

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the Council's values and goals in supporting the important work of improving outcomes for children and families across the state.