

# Status of Performance-Based Contracting Model

(FY2016 Appropriation Act - Public Act 84 of 2015)

**June 30, 2016**

**Sec. 503 (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.*



Michigan Department of  
Health & Human Services

RICK SNYDER, GOVERNOR  
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## **Status of Performance-Based Contracting Model Third Quarter Report**

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 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 moving the Kent County pilot forward.

MDHHS and WMPC, with the support of the project manager from Public Consulting Group (PCG) and the rate setting team (PCG and actuary partner Lewis & Ellis, Inc.), have identified and agreed on two case rate options which will be narrowed to one after further review and discussion.

MDHHS and the PCG project manager previously identified the need for five workgroups to aggressively move toward implementation of the Kent County pilot. The workgroups convened and fulfilled action items between January and April, 2016. In April, the PCG project manager realigned and reframed the workgroups for the next phase of work, which includes identifying the payment and claiming processes for the case rate, identifying how to implement the WMPC's third party information system (Mindshare), functionality change requests to Michigan's Statewide Automated Child Welfare Information System (MiSACWIS) to accommodate business requirements needed to operate the pilot, and identifying possible shifts in MDHHS roles and responsibilities under the pilot. These workgroups, along with additional workflows, are being led by a cohesive team of three WMPC representatives, MDHHS's Performance-Based project manager, and PCG's project manager.

In March 2016, MDHHS awarded the independent, third party evaluator contract to Westat Corporation. MDHHS held a May kick-off meeting with Westat to review the proposed evaluation plan. Another kick-off meeting with Westat, WMPC and other stakeholders was held in June.

MDHHS and WMPC continue to progress toward the implementation of a successful pilot. Both agencies are committed and cognitive of the attention to detail needed in each phase of the implementation. Collaborative efforts are underway toward the first phase of the implementation by July 1, 2016. The following tasks are planned in preparation of first phase implementation:

- WMPC will select a chief executive officer.
- WMPC will complete the application to become a Child Placing Agency and have a license issued.
- The case rate and payment schedule will be finalized.

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- MDHHS and WMPC will draft and negotiate a Data Sharing Agreement for the WMPC's third party information system, Mindshare.
- MDHHS and WMPC will draft a cost allocation plan for the Kent County pilot and submit it to the U.S. Department of Health and Human Services.
- MDHHS will draft and finalize a plan for monitoring and oversight of the Kent County pilot.
- WMPC will draft contracts between the agencies currently serving Kent County youth and the WMPC for use upon case transfers from MDHHS to WMPC.