

Status of Performance-Based Contracting Model First Quarter Report

(FY2019 Appropriation Act - Public Act 207 of 2018)

December 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 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) *From the funds appropriated in part 1 for adoption support services, the department shall allocate \$50,000.00 by December 31 of the current fiscal year to conduct an actuarial study on rates paid to private child placing agencies for adoption incentive payments. The actuarial study shall include a full cost prospective rate payment system and shall identify and analyze contractual costs paid through the case rate developed by an independent actuary.*

(3) *By October 1 of the current fiscal year, from the funds appropriated in part 1 for adoption support services, the department shall allocate \$950,000.00 of state general fund/general purpose and any eligible federal matching funds to increase rates paid to adoption service providers by up to 10% for adoption placement, adoption finalization, and adoption permanency in all rate categories.*

(4) *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.*

(5) *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.*

(6) *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.*

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(7) The department, in conjunction with members from both the house of representatives and senate, private child placing agencies, the courts, and counties shall continue to 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 quarterly reports 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.

(8) 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.



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The Michigan Department of Health and Human Services (MDHHS) continues to lead the Child Welfare Partnership Council and ensures 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 ongoing questions arose.
- WMPC continued to serve children in the Enhanced Foster Care Program. 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 that was introduced by WMPC in December 2017. Between January 1, 2018 – September 26, 2018, WMPC was referred 79 children for this service.
- WMPC's Enhanced Foster Care program was featured in the State Supreme Court's quarterly [Connections](#) newsletter.
- WMPC celebrated its one-year anniversary at a breakfast event in downtown Grand Rapids that was featuring a Foster Kent Kids Art Prize exhibit. Speakers included a Kent County MDHHS Child Protective Services Program Manager; the presiding Judge for the Kent County Circuit Court- Family Division; and the CEO of the WMPC. WMPC honored a foster care caseworker from each of its five partner agencies as well as a MDHHS staff person. The event was featured on [ABC's WZZM-13](#).
- WMPC was featured on [ABC's WZZM-13](#) and [Fox17](#) on October 1st speaking about its newly re-branded coalition, [Foster Kent Kids](#). It was featured in November on [Fox17](#) for National Adoption Month.
- In October 2018, WMPC leadership visited KidsFirst and Children's Village, two Emergency Shelters, with the Director of MDHHS Business Service Center 5. The purpose of the visit was to learn about the trends in youth being referred to shelter, best practices used by each shelter to meet their needs, and on-going challenges. WMPC is working with KidsFirst to revise its subcontract to ensure it supports KidsFirst to best meet the needs of children referred to shelter.
- MDHHS's contracted evaluator, Westat, visited Kent County October 15-19 to conduct annual focus groups with WMPC and its partners and stakeholders.
- WMPC revised its bylaws and are planning on adding an additional seven community members to their board. The bylaws were approved by WMPC's current Board at its October Board meeting. Recruitment for new positions expected starting in January 2019.

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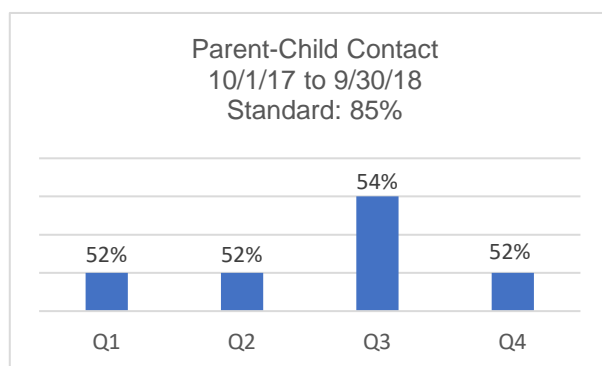
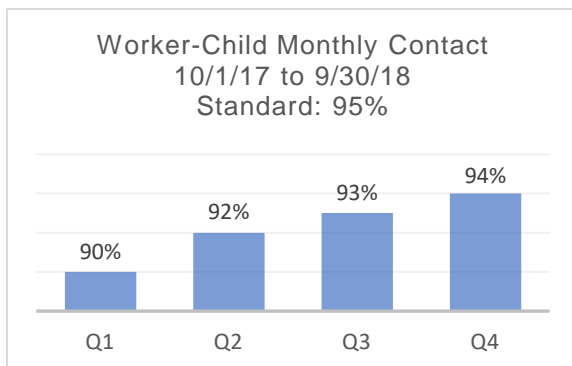
- WMPC had the following staffing changes in the first quarter of FY19:
 - Care Coordination Manager, Staff Accountant, Business Intelligence Analyst. WMPC expects all positions to be filled by December 30th.
 - A Performance and Quality Improvement Coordinator was vacated and a new coordinator began on December 3rd.
 - WMPC is currently working with the Community Mental Health Provider, Network180, on a subcontract for a Clinical Services Liaison position. This position would help facilitate access of youth referred to WMPC for foster care to Network 180 provided mental health services.
- WMPC worked with MDHHS to develop a mechanism to maximize Adoption and Foster Parent Recruitment and Retention and Youth in Transition Funds for youth in WMPC care. MDHHS agreed to issue grants to WMPC for each of these fund sources. The goal is for the grants to be in place by January 1, 2019. This will allow WMPC to more thoroughly embed these funds into its care coordination and performance and quality improvement models to ensure effective service utilization for children and families in its care.
- WMPC hosted a Client Services Forum at the end of November in which it elicited feedback from MDHHS; private agency foster care caseworkers, supervisors, and program managers; and supportive service providers on the strengths and gaps in services for youth and families experiencing the foster care system. WMPC plans to use this feedback to inform Requests for Proposals (RFP) for supportive services. Current supportive service subcontracts have been extended through March 30, 2019 to allow time for the RFP process.
- MDHHS continued to work with multiple stakeholders from within the department 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 and WMPC continue to engage stakeholders through the following meetings:
 - Implementation Team: bi-weekly meetings that provide an opportunity for the MDHHS, WMPC, private agency providers, and direct service/field staff to meet and discuss policies and questions.
 - WMPC Advisory Committee: monthly stakeholder (WMPC, MDHHS, Private Child Placing Agencies, Network 180, judicial representatives, Public Consulting Group) meetings to discuss progress and technical assistance opportunities.

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- Kent County Child Welfare Advisory Council: bi-monthly meeting established by the Kent County Administrator's Office's Kent County Family and Children's Coordinating Council to advise WMPC and Kent County DHHS on their outcomes. Representatives include the Kent County Administrator, Kent County Court, Foster and Adoptive parent, Executive Director of the United Way, and the Executive Director of Avanti Law Group.
- Judge's Quarterly Management Review: quarterly sharing of WMPC and Kent County DHHS data with Kent County Circuit Court's Family Court Judges.
- 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.
- 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.

Performance Overview

- WMPC has seen placements of youth in residential settings decrease by four percentage points from October 1, 2017 – August 20, 2018.
- WMPC Performance and Quality Improvement team meets with providers monthly to discuss key performance indicators, data quality, outcome measures and quality improvement plans.
- Key Performance Indicators for Fiscal Year 2018:



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